An Inquiry into the Political Economy of Gross National Happiness: An Integrated Policy Response for Sustainable Happiness and Wellbeing through Enhanced Government Performance

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Abstract

Spirituality and compassion have been integrated with governance since the foundation of Bhutan as a nation state. Bhutan's measurement of Gross National Happiness (GNH) is a deliberate attempt to embed Bhutanese cultural and historical values into national governance structures. The GNH index is a unique approach that includes both traditional areas of socio-economic concern, such as living standards, health, and education, and less traditional aspects, including culture, community vitality, and psychological wellbeing. One of the issues tracked in the survey which forms the GNH index is the perception of government performance.

The intent and scope of this thesis was to examine Government Performance as a key indicator within Bhutan's policy framework with the aim to support GNH that would enhance sustainable happiness and wellbeing in Bhutan. Bhutan's GNH official policy is precisely to maximise Gross National Happiness for its people. According to the index, happiness and wellbeing are thriving in Bhutan, in light of GNH policies and programmes which Bhutan initially pursued in the 1970s. The concepts entered western discourse in the 1980s and have become a fashionable topic since 2000. In these enabling conditions, nation-wide GNH surveys have been conducted every five years in Bhutan since 2010. For Bhutan, the development philosophy of GNH entails four pillars, nine domains, and 33 indicators. The four pillars are: sustainable and equitable socio-economic development; promotion and preservation of culture; conservation of environment; and the execution of effective and inclusive good governance. Since the 2010 GNH survey, these four pillars have been further elaborated into nine domains. Good governance is one of the nine domains, and government performance is one of the 33 indicators, along with three other indicators under the good governance domain. The basis of the inquiry is the results from the latest GNH survey on government performance and an analysis of the responses of key political and administrative figures in Bhutan.

The latest report (CBS, 2016) showed that the perception of government performance was among the lowest of the 33 indicators. More strikingly, this indicator declined the most when compared to the 2010 survey. For Bhutan to improve its GNH, this indicator must be investigated in depth. This thesis centres on a significantly understudied context of government performance as it explores the nature of GNH qualitatively. This

work is of national importance to Bhutan, representing a high-level and intellectually rigorous engagement with national policy for social good. The social good for the people is largely affected by government performance, and that government performance is influenced by political economy. Framed within social constructivism as the theoretical framework, this study employed a qualitative inductive approach with in-depth semi-structured interviews involving an understudied sample of 28 key participants in the policy process. The participants consisted of advanced Researchers, Chief Policy Officers, Members of Parliament, Presidents of Political parties, leadership of various institutions representing government, civil society organisations and private sectors, and other public figures within Bhutan. Adopting thematic analysis of the interview data, the responses were inductively thematised and analysed in relation to the expert interview methodology. The qualitative exploration in this study offers unique insights into the interpretations and complexities of the political economy of GNH and its influence on people's wellbeing and happiness through government performance underpinning an intricate and textured picture of the lives of Bhutanese.

This thesis deepens the literature and contributes to the insights into GNH from an experts' perspective, in particular the policy architects in Bhutan. The analysis reveals the current issues pertaining to government performance, defines the perfecting reforms in the government machineries, and ultimately offers alternative policy options for achieving sustainable happiness and wellbeing in Bhutan. This thesis makes a novel contribution to the literature on Bhutan's political economy of GNH, the first of its kind. It argues for greater attention by shifting its focus away from a series of quantitative GNH index studies to a qualitative analysis. It also argues for a re-examination of government policies and processes to enable the maximisation of GNH. This thesis argues for greater attention by shifting its focus away from simply measuring a quantitative GNH index to analysing the policy and implementation problems to prevent the maximisation of GNH, which in itself requires a qualitative analysis. The idea of shifting the focus away from quantitative index to qualitative analysis suggests how maximising GNH could be achieved. The expert participants defined GNH as "development with values", and a deliberate attempt to embed Bhutanese values into national governance structures. This thesis reveals that GNH provides clarity on what it means to be a politician, to be a public servant, as a citizen and as an individual human being. That clarity is primarily the need to pursue everything in moderation, and the need to provide policy, focus, and sharpness. The dominant themes that

emerged from the interviews were government performance in job creation, the gap between rich and poor; practical and policy challenges in maximising GNH; that GNH must be dynamic and how Bhutan achieves GNH must change; and a need for a national GNH narrative. In addition, this study has wider educational, economic, and social policy implications for countries seeking to structure national identities which go beyond employability, clearly aligning with the global vision for an inclusive economics.

Acknowledgements

Dedication

I dedicate this PhD thesis to my mother Aum Yeshey Dem, who walked for days to enrol me in Primary School in 1986, when I was six years old. She would frequently come to visit me in boarding school, and occasionally hire village men to deliver food, and load full of fruits from the household garden and also from wild forest. She has constantly nurtured me throughout my childhood with Bhutanese maxims, and life skills. What I am today, I owe to my mother.

I also dedicate this PhD thesis to my wife, Dr. Pema Wangmo, who is a voracious reader, an accomplished academic, and a woman of substance.

I also dedicate this PhD thesis to my son, Mr. Jigme Singye Tobden. When he was one year old, I was a master's student at a University in Australia. I always took him to the University library. When he was in Primary school, I was working at a University in Bhutan, I always took him to the university after school hours. Now, he is in high school, and he still accompanies me to the university postgraduate rooms. He grew up in the university environment, and my dedication of this PhD thesis may inspire him to be an academic enthusiast.

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Attestation of Authorship

I hereby declare that this submission is my own work and that to the best of my knowledge and belief, this thesis contains no materials previously published or written by another person, except where due acknowledgement has been made, and explicitly defined in the acknowledgments. This thesis contains no materials which has been submitted for the award of any other degree in any university.

Human Ethics: The data collected through semi-structured interviews and presented in this thesis was conducted in accordance with the AUTEC approval, Auckland University of Technology Ethics Committee (AUTEC) vide approval No: '20/291 An inquiry into the political economy of Gross National Happiness: An integrated policy response for sustainable happiness and wellbeing through enhanced government performance,' dated 12th October, 2020

Jamba Tobden

Date: April 2024

Research Outputs

The following are the research outputs published during the course of my PhD study. I was able to publish six research papers in international peer-reviewed journals while enrolled as a PhD student. I would like to thank my supervisors for sparking enormous research enthusiasm in me.

Tobden, J., & Ham, M. (2022). Gross national happiness and challenges for education in Bhutan: Perspectives of policy experts. *The International Education Journal: Comparative Perspectives, 21*(2). https://openjournals.library.sydney.edu.au/IEJ/article/view/15899

Tobden, J. (2023). Political economy of resource economics: Unlocking the policy debate on accelerated hydropower future in Bhutan. *Bhutan Journal of Natural Resources and Development, 9*(1), 31-43. https://doi.org/https://doi.org/10.17102/cnr.2022.70

Tobden, J. (2022). Political economy of happiness: Greatest happiness for the greatest number. *Rangahau Aranga: AUT Graduate Review. 1*(1). https://doi.org/10.24135/rangahau-aranga.v1i1.83

Tobden, J., & Sherab, K. (2021). A framework for building research capacity through leadership development, institutional building, and research practice. *Bhutan Journal of Research and Development, 10*(1), 38-58. https://bjrd.rub.edu.bt/index.php/bjrd/article/view/

Tobden, J. (2020). Women's leadership journeys in Bhutan: A longitudinal study. *Bhutan Journal of Research and Development, 9*(2), 1-17. https://www.rub.edu.bt/images/rub/research/publications/journals/I-Autumn-2020.pdf

Tshomo, T., Gurung, M., Cuesta, J., Shah, S., Meas, P., Wangdi, R., Tobden, J. (2021). Menstrual hygiene management: Knowledge, attitudes and practices among female college students in Bhutan. *Frontiers in Reproductive Health*. 3 (2021): 703978. https://doi.org/10.3389/frph.2021.703978

List of Abbreviations

ADB	Asian Development Bank
BCSEA	Bhutan Council for School Examinations and Assessment
BTI	Bhutan Transparency Initiative
CBS	Centre for Bhutan & GNH Studies
FYP	Five Year Plan
GDP	Gross Domestic Product
GNP	Gross national Product
GNH	Gross National Happiness
GNHC	Gross National Happiness Commission
HDI	Human Development Index
IEP	Institute for Economics & Peace
MP	Members of Parliament
NA	National Assembly
NC	National Council
NDP	New Development Paradigm
NSB	National Statistics Bureau
OECD	Organisation for Economic Co-operation and Development
PHCB	Population and Housing Census of Bhutan
RGoB	Royal Government of Bhutan
RMA	Royal Monetary Authority
SDG	Sustainable Development Goals
SWB	Subjective Wellbeing
UN	United Nations
UNDP	United national Development Programme
UNICEF	United Nations International Children's Emergency Fund

Glossary

GNH Survey	Survey carried out to collect information on the 33 indicators with a nationally and regionally representative sample
Indicators	The 33 indicators used to compute the GNH Index
Domains	The nine domains under which the 33 indicators have been categorised.
GNH Index	The GNH Index represents the share of people who are happy plus the share of people who are not-yet-happy, adjusted with the average sufficiency among not-yet-happy people. Its value ranges from 0 to 1, with 0 reflecting zero happiness and insufficiency in all the 33 indicators, and 1 universal happiness (every person is happy, according to the 66% happiness cutoff)
Deeply happy:	Share of people who have achieved a sufficiency score of at least 77%.
Extensively happy:	Share of people who have a sufficiency score of 66% to 76.9%.
Narrowly happy:	Share of people who have a sufficiency score of 50% to 65.9%.
Unhappy:	Share of people who have a sufficiency score from 0% to 49.9%.
Anim:	Nun
Driglam Namzha:	Traditional code of etiquette and conduct
Dzongkhag:	District
Gewog:	Block
Gomchen:	Lay monk
Thromde:	Municipality
GNH Policy Screening:	GNH Policy screening tool using the nine domains and 22 variables of the Policy Formulation Protocol
GNH certification:	GNH Business Certification using 9 domains and 56 indicators

Chapter 1: Introduction

> "If the government cannot create happiness for its people, then there is no purpose for government to exist." - Legal code of Bhutan (1729)

> "Gross National Happiness is more important than Gross Domestic Product."
> - His Majesty Jigme Singye Wangchuck, the Fourth King of Bhutan

> "Gross National Happiness is development with Values" -His Majesty Jigme Khesar Namgyel Wangchuck

1.1 Introduction

The aim of this thesis is to explore contextual elements of an integrated policy response for maximising Gross National Happiness (GNH) towards sustainable happiness and wellbeing through enhanced government performance in Bhutan under the political economy of GNH. This objective is built on a series of established literature that people's happiness and wellbeing are significantly influenced by government performance (Centre for Bhutan and GNH Studies (CBS), 2016; Helliwell & Huang, 2008; Helliwell et al., 2017; Hudson, 2006; Musikanski et al., 2019); that government performance is influenced by political economy, and that economy is highly political and much of politics is about economy (Chilcote, 2018; Frieden, 2020); that constitutional rules shape fiscal policy outcomes, a key element of government performance (Persson & Tabellini, 2004); that political and economic institutions can influence long-term economic growth, which is often used as a metric of governance performance (Acemoglu et al., 2005); and that changes in political institutions can significantly affect economic and governmental outcomes (North & Weingast, 1989). The intent and scope of this thesis was to examine Government Performance as a key indicator within Bhutan's policy framework to support GNH that would enhance sustainable happiness and wellbeing in Bhutan. Bhutan's policy narrative is precisely to provide and maintain Gross National Happiness (GNH) to its people. The basis of the inquiry is the latest GNH survey (2016) and an analysis of the responses of key political and administrative figures, combined with the views of a representative group of the most disaffected group recorded in the survey. The introduction sets out the core concepts used in the thesis, introduces Bhutan and its development philosophy of Gross National Happiness, and outlines the significance and the aims of the research. This chapter also explains the structure of the thesis, my positionality as the researcher, and the research questions that anchor the study.

1.2 Research Questions

Anchored by the intended rationale and significance of the study, the following research questions were devised:

Central Question:

> What elements of government policy and implementation, in the context of the cultural and political economy of Bhutan, are critical to the sustainable enhancement of gross national happiness?

This central question warrants discourse on political economy of Gross National Happiness (GNH) and government performance in a GNH milieu, leading to the following sub-questions:

> How do policy actors understand key domestic policy challenges and barriers to the effective implementation of government policy in achieving gross national happiness?

> What are the administrative and democratic impediments in policy processes in maximising Gross National Happiness?

These questions enabled the respondents to assist the researcher by offering their perspectives on shortcomings in the ethos of GNH, current popular understandings, and its current implementation.

1.3 Overview of Bhutan

Bhutan is similar to Switzerland and Taiwan by size, and to Luxembourg and Solomon Islands by population. It is a small Kingdom in the Eastern Himalayas. Politicians define Bhutan as a small but strategically important country nestled between two emerging world powers: China in the North and India in the South *(see Figure 1)*. Kaul (2022) writes that Bhutan's use of careful diplomacy continues to be a net regional stability provider and has contributed to averting full-blown war between the two hegemonies. Likewise, Stobdan (2020) discussed how Bhutan plays a role in the larger strategic balance of power in the region and examines the role of Bhutan in this strategic rivalry and how it navigates its relationships with these two larger powers.

Figure 1: *Map of Bhutan nestled between India and China (National Environment Commission, 2021)*
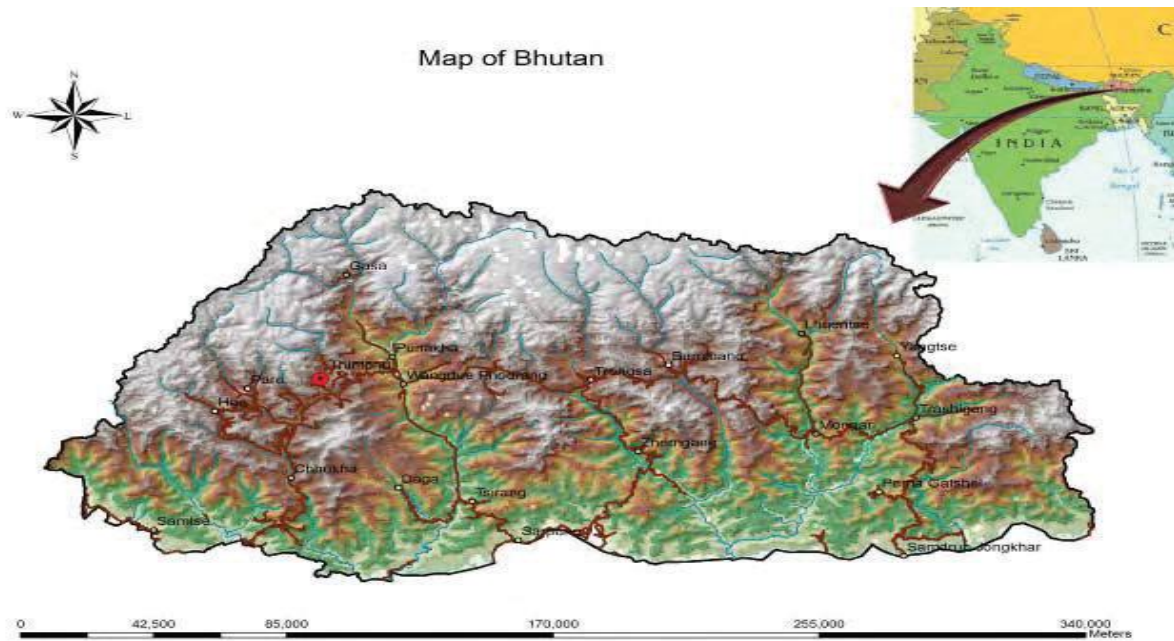
Environmentalists see Bhutan as being located in the fragile Himalayan ecosystem ranging from cold alpine zone of 7500 metres above sea level in the north, through the temperate zone in the centre, to subtropical zone in the south of 75 metres above sea level *(See Figure 2)*. The wide range of habitats and altitudinal variations create a safe haven for rich biodiversity in the country (DoFPS, 2021).

Figure 2: *Map showing major ecological zones in Bhutan (DoFPS, 2021)*
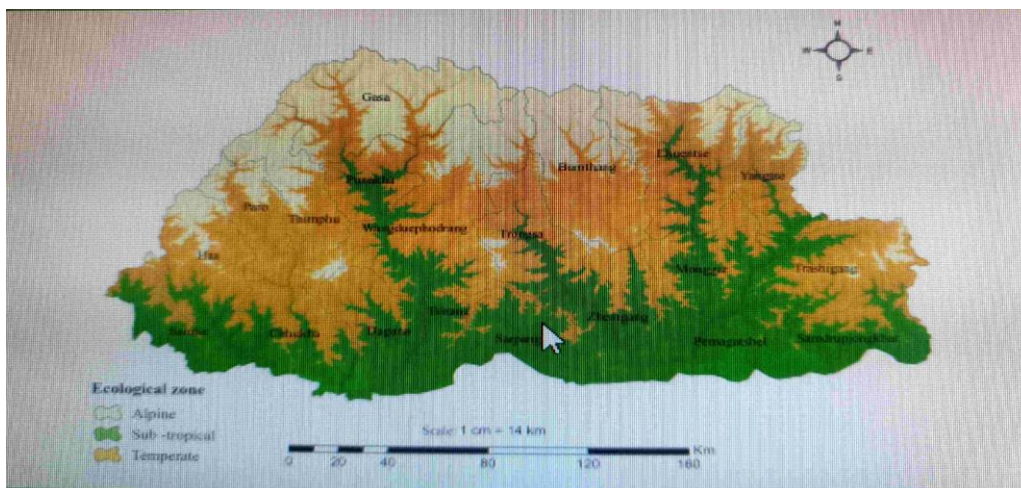
Economists view Bhutan as vastly rugged terrain and fast-flowing rivers with huge hydropower potential and vast natural resources (Tobden, 2023). Businesses and travel industries describe Bhutan as the last Shangri-La, a romanticised kingdom in the clouds *(see Figure 3)*.

Figure 3: Map of Bhutan showing major river systems in Bhutan (Source: Research gate).

The facts about Bhutan from various national data shows that Bhutan is a small country of 38,394 square kilometres with a very small population of 735,553, as recorded in the National Population and Housing Census of 2017 (National Statistics Bureau, 2018b). The estimated population as of August 2023 is 770,276 (National Statistics Bureau, 2023b) living largely in harmony with 71% forest cover providing biological hotspots for 5600 vascular plant species; 280 lichens; 147 endemic plants; 200 species of mammals (out of which 27 are globally threatened); 770 bird species (out of which 31 are globally threatened); 900 species of butterfly; with 99.60 % of the population with improved drinking water sources; with 100% electricity coverage, and free electricity to rural dwellers for up to 100 units per month; with proportion of cellular subscribers to total population at 102.89%, and proportion of internet users of total population at 99.40% (National Statistics Bureau, 2022c, 2022d). The share of agriculture to GDP is 19.23%; unemployment rate doubled to 5.9% in 2022 from 2.7 % in 2019 (National Statistics Bureau, 2023a); and an income inequality Gini coefficient of 0.38 in 2022, which has improved to 0.285 in 2022 (National Statistics Bureau, 2022a). Bhutan's GDP is at US$. 2539.53 million, and the GDP per capita is US$. 3358.59.93 (National Statistics Bureau, 2022e; Royal Monetary Authority., 2022). Bhutan's percentage of GDP spent on education is 6.85% which is highest among the South Asian Countries (Sarangapani & Pappu, 2021). The economy relies primarily on agriculture and hydropower, whose share of GDP are 19.23% and 17.7%, respectively (National Statistics Bureau, 2021a, 2022c, 2022d). Bhutan is 71% covered with forests (of which 52% are protected areas in the form of parks, wildlife sanctuary, and biological corridors); 7% with year-round snow and glaciers; nearly 3% comprises cultivated or agricultural areas; 4% are meadows and pastures; and the rest 16% is either barren, rocky, or scrubland. While the alpine valleys provide pasture for livestock, the woodlands of the central region provide valuable forest products, and these areas are where the majority of human settlements are based (*see Figure 4*), falling in the temperate and the subtropical zones (National Statistics Bureau, 2021a).

Figure 4: *Human settlement area in the temperate zone (Source: Author)*

The facts about Bhutan from various international data shows that the country has steadily risen in regional rankings on a range of economic, social, and political indicators, both in absolute terms and relative to other South Asian countries. Bhutan ranks 17th in the 2023 Global Peace Index, and is the only South Asian Country in the top 20 (India is at 126, Nepal at 79, Bangladesh at 88, Sri Lanka at 107, Pakistan at 146; and Afghanistan at 163) (Institute for Economics and Peace, 2023). Bhutan ranks 25th on the Corruption Perception Index 2022, which is the least corrupt country in South Asia (India is at 85, Nepal at 110, Sri Lanka at 101; Maldives at 85, Pakistan at 140, Afghanistan at 150) (Transparency International, 2022). Bhutan ranks 127th on the Human Development Index, which is among the best in South Asian Countries, besides Maldives at 90 (India is at 132, Nepal at 143, Bangladesh at 129, Pakistan at 161, Afghanistan at 180) (UNDP, 2023). According to the Worldwide Governance Indicators, Bhutan is the least corrupt country in South Asia with a percentile rank of 91.85; and the country ranks number one in government effectiveness in service delivery systems with a percentile rank of 75.48 (World Bank, 2022). Bhutan generates 2.2 million tons of carbon dioxide, but the 71% forest cover sequester three times that amount, thereby making it a carbon sink of four million tons each year, and that makes Bhutan the first and the only carbon negative country in the world (World Economic Forum, 2017b) since the Conference of the Parties (COP) 15 (Gross National Happiness Commission, 2011).

In terms of achievements in Sustainable Development Goals (SDGs), Bhutan's Global Index score in 2019 was 67.7%, which is 2.9% higher than the regional average of the countries in the region (Sachs et al., 2019). By 2023, the score had increased to 72.3% mainly because of Bhutan's exemplary progress in SDG1 (Hunger); SDG3 (Good Health and Wellbeing); SDG4 (Quality Education); SGD7 (Affordable and Clean Energy); SDG11 (Sustainable Cities and Communities); SDG12 (Responsible Consumption and Production); SDG13 (Climate Action); and SDG16 (Peace Justice and Strong Institutions) (Sachs et al., 2023). The Institute for Economics and Peace's (2020)

report showed that Bhutan was the 8th country globally and the only country in South Asia that did not record any incidence of civil unrest from 2011 to 2018.

These statistics show that a small country with an even smaller GDP is providing free health and education services to its people (Tobden & Ham, 2022). The data presented above also show how a small country with a smaller population and an even smaller economy is leading a just and harmonious coexistence with the environment, animals, and plants. And most of all, these measures listed are indicators that happiness and wellbeing both for humans and non-humans is thriving in Bhutan. Bhutan, a Least Developed Country (LDC) as per (United Nations, 2021), is the first among the 16 other LDCs to graduate to a middle income country. It is fascinating to know how happiness and wellbeing is thriving in a LDC country.

1.4 Rationale and Context

This study draws its strength from the current happiness and wellbeing institutions, policies, programmes, and practices put in place in Bhutan. Happiness and wellbeing is thriving in Bhutan in light of GNH policies and programmes, which Bhutan pursued in the 1970s, entered western discourse in the 1980s, and have become a fashionable topic from 2000 (Drechsler, 2019). Happiness and wellbeing are thriving in Bhutan in light of various institutional mechanisms and enabling factors. For instance, the role of the state to promote conditions to enable the pursuit of GNH is enshrined in the Constitution of the Kingdom of Bhutan (Royal Government of Bhutan, 2008). The Royal Government of Bhutan, mandated by the constitution, defined GNH as development with values, and that the end objective of development is to ensure a just, equal and harmonious society (Centre for Bhutan and GNH Studies (CBS), 2016). All policies in Bhutan are screened through a GNH policy screening tool before it is approved (Gross National Happiness Commission, 2015) *(see details in 2.6.3)*. The theme for Bhutan's 12th Five Year Plan (2018-2023) is "A Just, Harmonious and Sustainable Society" (Gross National Happiness Commission, 2016). Bhutan's Human Development Index value in 2017 has increased by over 20% since 2005 (UNDP, 2019a), improved by five positions in 2020 (UNDP, 2020) and a further two positions by 2023 (UNDP, 2023) and ranks consistently higher on a range of economic, social, and political indicators. The measured happiness of Bhutanese people increased from 0.743 in 2010 to 0.756 in 2015 (Centre for Bhutan and GNH Studies (CBS), 2016), and to 0.781 in 2022 (Centre for Bhutan and GNH Studies (CBS), 2023). In order to assess that businesses are operating in conformity with the GNH values, the Business Certification Tool was developed in 2018 (Centre for Bhutan and GNH Studies (CBS), 2018), and in 2021, the first three businesses were certified.

In these enabling conditions, the national GNH indexes were constructed from nation-wide surveys conducted every five years beginning in 2010. Both the past two surveys in 2010 and 2015 were conducted quantitatively with structured questionnaires with close to 8000 (eight thousand)

respondents using a cross-sectoral survey design, that covers both rural and urban dwellings spread across the nation. Data were analysed statistically (Centre for Bhutan and GNH Studies (CBS), 2016). In Chapter Two, I explore the GNH domains and indicators in depth.

The latest national GNH survey by Centre for Bhutan and GNH Studies (CBS) (2016) revealed, however, that the indicators for psychological wellbeing, governance (perception of government performance), political engagement, community vitality, and cultural diversity domains have declined in five years between 2010 and 2015. The 2015 survey revealed that the perception of government performance was the second lowest indicator (out of 33 indicators) in the percentage of people enjoying sufficiency in 2015 alone. When compared to the 2010 survey, this indicator fell by 46 percentage points (corresponding to a 58% reduction), which was the most prominent decrease in the sufficiency level across the 33 indicators. In fact, one of the happiest 20 people in the survey stated that the government is not fulfilling its role. The happiness and wellbeing sufficiency of the people is derived from the individual score on the 33 indicators, which are weighted (Centre for Bhutan and GNH Studies (CBS), 2016). Gaining a qualitative understanding of these responses is needed in order to determine how the government should develop its policies. This thesis investigated the significant decline in the perception of government performance between 2010 and 2015, as well as the insufficiencies in the 2015 survey alone.

The findings of these surveys are limited to quantitative statistical figures and do not cover the social meanings and insights into the GNH fabric. This thesis addresses this gap by conducting in-depth qualitative interviews with policy makers (the members of parliament), policy implementers (the chief policy and planning officers of various government ministries and institutions), presidents of the political parties, independent researchers and scholars, and the leadership of various institutions from government as well as corporations and private companies who are well conversant with the GNH philosophy, indicators, policies, and programmes. In addition, members of the leadership of the government and civil society organisations representing the local government, and farmers' groups were also interviewed. The qualitative exploration in this study offers a unique examination of the interpretations and complexities of perceptions of the political economy of GNH, which underpins the intricate and textured lives of Bhutanese people.

In a separate report, the National Human Development Report (UNDP, 2019a) identified some risks and challenges for Bhutan's human development index. Some of the pertinent issues relevant to this research are the expedient politics of the government taking short-term approaches based on the electoral term of five years and neglecting long-term goals of the vision for a happier Bhutan, some indication of political patronage, and emerging issues of regionalism where certain parts of the country consistently voted for one party. These portraits of unhappiness are striking as they mix and inter-relate traditional domains with non-traditional domains. The traditional domains

of public action such as schooling and literacy, rights and services such as water and sanitation, and housing, with deficits in non-traditional domains of the amount of time spent working, voluntary contributions, spirituality, local knowledge, and cultural participation. What may be understood from these statistics is that the services of the government could be better aligned to address the insufficiencies identified in the 2015 Survey. They are interrelated and therefore warrant an in-depth investigation. Correspondingly, this study, conducted in Bhutan at the time when the happiness and wellbeing conditions are thriving, constructs the policy and practical barriers for a sustainable happiness and wellbeing under the dimension of political economy of GNH underpinning the government performance indicator.

The national GNH survey presented the findings from across Bhutan on many aspects of Bhutanese lives that relate to the wellbeing measurement. The survey was conducted by the Centre for Bhutan and GNH Studies (CBS), which is a state autonomous research institute dedicated towards promoting research and scholarship on Bhutan and on GNH. Therefore, findings from these surveys are regarded as forming a reliable and valid basis for this thesis to build on.

1.5 Significance

The Gross National Happiness framework as a development policy has inspired academics, researchers, governments, development institutions, and environmental and climate activists around the world (Brooks, 2013; Centre for Bhutan and GNH Studies (CBS), 2016; Drechsler, 2019; Frey, 2008; Gross National Happiness Commission, 2011; Mancall, 2004; National Development Paradigm Secretariat, 2013; Pennock & Ura, 2011; Royal Government of Bhutan, 2012; UNDP, 2020). The findings of the nationwide GNH survey are used as policy tools that define Bhutan's development plans and policies, and are designed to guide actions to advance GNH across Bhutan (Centre for Bhutan and GNH Studies (CBS), 2016). The GNH survey, which was conducted quantitatively, shows that the perception of government performance is among the lowest of the 33 indicators and also features the most prominent decrease in sufficiency level when compared to the past five-year survey. Since government performance is a key indicator, its low contribution and declining sufficiency level warrants investigation; however, no previous research has looked into it qualitatively, and a qualitative inquiry is crucial to understand how social and cultural contexts (Maxwell, 2021) affect this indicator. The GNH survey report itself invites further research to dig into and enjoy the deep seams of insight from the GNH survey data. Hoellerer (2010) suggested the use of qualitative and ethnographic research approaches to enhance the measurement and operationalisation of Gross National Happiness. This study attempts to make significant contributions in both areas of immediate practical and policy implications as well as the contribution to fundamental knowledge which are fundamental in assessing the contribution and significance of any research (Maxwell, 2021; Sovacool et al., 2015; Stern et al., 2016).

This thesis makes a novel contribution to the literature on Bhutan's political economy of GNH by providing two additional axes. First, contemporary studies on Bhutan are dominated by polarising perspectives of the "Shangrila" and GNH. However, to date there is not a single paper that defines Bhutan's political economy of GNH, which is what this study seeks to achieve. Second, this thesis argues for greater attention by shifting its focus away from simply measuring a quantitative GNH index to analysing the policy and implementation problems that prevent the maximisation of GNH, which in itself requires a qualitative analysis. A fundamental contribution of this thesis is its ability to bring together data on Bhutan's Gross National Happiness, sustainable development goals, happiness and wellbeing, and political economy and weave them into a fabric that transcends towards an integrated policy response to address the insufficiencies in happiness and wellbeing of the Bhutanese people. This achieves double-pronged results of generating a policy response as well as offering a basis for future follow-up research on other indicators of GNH. One of the greatest strengths of this study is the ability to engage in in-depth interview with policy architects; policy makers; researchers; and leadership of the government, non-government, civil society organisational and private institutions which provided critical insights and glimpses of the challenges and opportunities of achieving the GNH, which were not studied before. Finally, this research fills a critical gap in the literature surrounding GNH policy implementation.

1.6 Researcher Positionality

A researcher's positionality refers to a researcher's worldview on the research topic. It is very important that the researcher must be conscious of their own biases, values, experiences and how they affect the research. Positionality is thus determined by where one stands in relation to "the other" that are the participants (Merriam et al., 2001; Schiffer, 2020). Likewise, insider-outsider is the degree of the researcher's connection to the group the researchers is studying (Banks, 1998).

I have more than 15 years of work experience in the government sector, international institutions, and higher education institutions in Bhutan, engaging mostly in policy analysis and development trajectory. This has allowed me to gain an overview of the governance and polity and has strengthened my working relation with many bureaucrats and politicians in Bhutan, which was an advantage when it came to accessing the expert respondents. In my most recent employment (2014 to 2018) I worked as the Manager and Deputy Chief Research and Development Officer for the institute for Gross National Happiness Studies (iGNHaS). iGNHaS is an independent, secular and non-partisan knowledge institution that serves as a leading forum for debate and deliberations on public policies and development issues in Bhutan in order to influence governance bodies and enhance the quality of life of the Bhutanese people. It is a research think-tank outside of the government purview, that strives to provide an academic voice to thematic areas of GNH (Tobden, 2020; Tobden & Sherab, 2021). While at iGNHaS, I represented the academic institution to several government institutions as task force members and advisory boards, had access to GNH policy

documents, and engaged in GNH research. However, my insider knowledge on GNH policy making, policy implementation and GNH leadership is limited. Therefore, I approached this thesis from my positionality as a GNH policy conversant that is committed to GNH policy discourse and as an independent academic researcher, rather than from the government insider purview.

According to Day (2012; as cited in Corlett & Mavin, 2018), positionality, as a form of self-reflexivity, acknowledges the politics of doing qualitative methodology. Through positional reflexivity, qualitative researchers can consider the impact of positionality, identity, and power in producing knowledge. This self-reflexivity is considered an integral aspect of qualitative research and is also considered a wisdom which qualitative researchers acknowledge and even celebrate (Corlett & Mavin, 2018; Tracy, 2019). This self-reflexivity shows how beneficial it is that I share a common scientific and educational background with the participants. In terms of seniority and profession, in most cases, I had equivalent standing to the participants, which, according to Bogner et al. (2009), can increase the participant experts' curiosity about the topic and field of research, their desire to help make a difference, and also their level of motivation to participate in an interview enthusiastically. Being in the public eye brings with it high levels of responsibility, and this opportunity to share their thoughts with an expert insider-outsider of similar status and background, is appreciated by the participants.

Rowley (2014) stated that positionality is perhaps the defining feature of embedded research; how the researcher is situated in relation to their host organisation is what sets the approach apart from other more traditional models. It must be noted that my positioning in relation to the research can be best described as that of an insider-outsider researcher, and not really as that of an insider-embedded-researcher. Being an insider enables access to participants and contextual knowledge unavailable to outsiders. It affords the researcher the opportunity to exercise knowledge of history and context that helps a scholarly criticality. Establishing my position as an insider involved a certain amount of autobiography although this is not the key element of this research. I have also been questioned about my position as embedded. According to McGinity and Salokangas (2014), embedded researchers are individuals or teams employed to undertake explicit research roles that provides the researcher with greater access to host organisations with research funding, scholarship as well as benefits for data collection, which is not the case of my position. GNH in Bhutan has eight manifestations (Verma, 2019), namely that of a moral concept, guiding principles for holistic development, a development conceptual framework, an index of measurement, policy and project screening, individual practice, global influence, and the secularisation of Buddhist concepts. It is the responsibility of every Bhutanese to influence and secularise Buddhist concepts. The academics and the government facilitate GNH through development of guiding principles for holistic development, development of conceptual frameworks, an index of measurement, and policy

and project screening. My research crosses all eight manifestations, but not from an embedded position.

1.7 Thesis Outline

This study builds on several central bodies of literature. First, it analyses the recent happiness index of Bhutan, zooming into the policy action towards pursuing a sustainable wellbeing policy, and examining the validity of this study. Second, it tracks the early philosophies on happiness and wellbeing from different societies and its influence on utilitarianism and GNH. Third, it examines the theoretical framing of political economy and identifies the current global practices in political economy towards happiness and wellbeing. Fourth, it elaborates on the Buddhist worldview through the historical and philosophical influence of happiness in Bhutan, the Fourth King and the beginning of GNH. Fifth, the findings section persistently and coherently answers the research questions as emerged from the expert participants interview data. Finally, the findings, the literature, and the theoretical framework weave together to inform a GNH narrative model that would maximise GNH in Bhutan. These central underpinnings are structured as follows.

Chapter 1 introduces the research, featuring a description of the researcher's positionality as well as a discussion of the study's rationale, context, and significance, as well as the research questions and the thesis outline. It also briefly outlines Bhutan's facts and figures both in terms of global and regional rankings. **Chapter 2** lays the foundation of the philosophy of happiness and wellbeing. It critically analyses the early emergence of the study of happiness and wellbeing. It uncovers the proponents of happiness and wellbeing both in the West and the East in different time periods and touches on utilitarianism. Then it delves deep into current happiness studies and outlines the Bhutanese happiness index that shapes the Bhutanese polity and governance. It finally zooms into the GNH index and explores the central claims of this study. **Chapter 3** establishes those theoretical concepts that are central for this study. lays important theoretical foundations of the study. It outlines extensive coverage of methodology and design. It begins by positioning this research as guided by the social constructivist theory. Basing the study of social constructivist theory is justified as policies on happiness and wellbeing, sustainability, and government performance under the umbrella of political economy seek to embrace various worldviews, and the world views are socially constructed. In addition, social constructivism understands social phenomena from a context-specific perspective by considering that human learning is constructed, and knowledge is constructed through social interaction. Therefore, I justify employing an inductive approach to undertaking and analysing qualitative expert interviews. Then I set out the recruitment of participants and interview processes and describe the analysis of the data. **Chapter 4** narrates the historical and philosophical influence of happiness in Bhutan. It sets out the evolution process of GNH as pronounced by the Great Fourth King of Bhutan. It examines GNH policy and practice, and how the expert participants understand and internalise Gross National Happiness. **Chapter 5**

examines the emerging concepts and debates around political economy, teases out the Bhutanese political economy, reviews the Gross National Happiness policy and practice zooming into government performance. **Chapter 6** is the first chapter that reports on the study's findings. It makes a major contribution to answering the first research sub question on challenges and barriers in government performance. As it emerged from the expert interview data, the chapter uncovers the issues of gap between rich and poor, and creation of jobs as insufficiencies in the government performance. **Chapter 7** is the second findings chapter, and it is focussed on answering the research sub-question on practical and policy challenges in maximising GNH. As it emerged from the expert interview data, it uncovers GNH education, competing ideas and vested interests' groups, absence of citizen driven economy, and hierarchical structure of governance as practical challenges. On the policy front, it uncovers conflicting policies, issues in policy implementation, inadequate consultation, and lack of research and data input. **Chapter 8** is the last of the three findings chapters. It also contributes to answering the second research sub-question. It discusses the operationalisation of GNH, the nexus between democracy, SGD, and GDP and the limitations in the democratic system in Bhutan for maximising GNH. As emerged from the expert interview data, it uncovers themes of political clientelism, regionalism, and short-term politics as shortcomings in maximising GNH. **Chapter 9** presents the synthesis of GNH towards a policy model for sustainable wellbeing and happiness. It weaves together the key literature, current policy processes in Bhutan, and the expert interview data. The synthesis digs into the deep seams of insight of operationalisation of GNH and argues for a re-examination of government policies, processes, and programmes, including the administrative systems to enable the maximisation of GNH to occur. **Chapter 10** concludes the thesis by reflecting on the significance, implications, and limitations of the thesis, along with indicating potential future research directions.

Chapter 2: Literature Review on Happiness and Wellbeing

> I am so grateful that I am breathing fresh air, I am so grateful that I have all these goodies
> from the forest. I am so grateful that at least I can get some milk from my local cows. I am
> so grateful that I can get an egg from my hen that I have reared, not the poultry farm.
>
> (Expert participant Dasho Neten)

2.1. Introduction to Happiness and Wellbeing

Happiness and wellbeing have been of interest to humans across cultures and throughout history and has been an increasingly prominent topic of interest across numerous academic fields. This chapter traces the study of happiness and wellbeing to its roots thousands of years ago. It begins with how happiness and wellbeing were defined by great philosophers of the West (Greek approach), and the East (Buddha and Confucius approach). As quite scarce in academic papers, this study draws up a sequential flow of proponents of happiness and wellbeing, starting with the early philosophers and their influence, followed by the seventeenth- and eighteenth-century thinkers, and to the contemporary thinkers. It explains the account of happiness in academic and the current research from numerous fields. This chapter then delves into Bhutanese happiness policy and practise through the lens of GNH, the GNH index, and finally focusses on government performance in maximising GNH in the context of the study.

2.2. Early Philosophers on Happiness and Wellbeing

Many societies have a tradition of pursuing and living their way of life around happiness. The emergence of the study of happiness dates back thousands of years. The Buddha's (623 BC) philosophy contended that the causes of suffering are greed, hatred, and ignorance (Daniels, 2005), and taught that where there is greed, there is no happiness. Rather happiness starts from understanding the root cause of suffering, and categorises different forms of happiness into the lesser happiness, the higher happiness, and the highest happiness (Gunaratana, 2001). Buddha's approach to happiness and wellbeing centres around understanding the true nature of reality as the ultimate means to overcome greed, hatred and ignorance. Buddha promulgated Four Noble Truths to acknowledge and navigate the existence of suffering as a pathway to achieving ultimate happiness and wellbeing (Rahula, 1967); Eightfold Path as the practical guideline to achieving peace and happiness (Bikkhu, 1996; Rahula, 1967); Mindfulness and Meditation to cultivate mind leading to inner peace and happiness (Gunaratana, 2002; Rahula, 1967); Compassion and Loving-Kindness as fundamental values to overcome negative emotions and thereby contributing to overall wellbeing (Dhammavaro, 2007; Rahula, 1967).

Socrates (469-399 BC), who is regarded as one of the pioneers of Western Philosophy, also had profound insights into happiness and wellbeing. For Socrates, happiness is the only true virtue which leads to a healthy soul. He asserted that happiness is the highest aim of moral thought and

conduct (Benson, 2000). For Socrates, happiness lies in the better element of the mind, and carefully limits desire (Stearns, 2021). Other ancient philosophers have advanced comparable ideas, such as Plato, in the Republic 380 BC/1980 as cited in (Hyman, 2014) who wrote that the central idea of happiness is a balanced soul which is free of any conflict. Aristotle's (384-322 BC) view on happiness and wellbeing, or "eudemonia" (a Greek word for 'flourishing'), has been widely studied. For Aristotle, eudaimonia is a method of achieving virtue (Moran, 2018), or what Aristotle called "complete virtue" (Stearns, 2021, p. 41). Virtuous living, and fulfilling one's potential, are the ultimate purposes of human life (Kraut, 1989). In Eastern philosophy, is Confucianism, founded by Confucius (551-479 BC). According to Confucius, who lived in Kongzi, 551 – 479 BC, happiness constitutes three salient features; ethical pleasure, ethical desire, and moral innocence (Luo, 2019). Thus, within this worldview, happiness is about how an individual's life is shaped through the guidance of rituals and virtues within social relations. Further, happiness and wellbeing are considered to be closely related to moral cultivation, respect for rituals, and social harmony (Yu, 2007).

These different revered philosophers from Greece (West), India and China (East) present different views on happiness (see Table 1 below). For Plato, one way in which happiness can be achieved is by acquiring the virtue of justice, which is when each part of the human soul is working in harmony (Hyman, 2014), and maintains a virtue based conception of ethics (Frede & Lee, 2017). This is to say, within this approach, happiness and well-being (eudemonia) are the highest aims of moral thought and conduct, and the virtues are the requisite skills and dispositions needed to attain it. Aristotle, who was Plato's pupil, uses the term eudemonia to refer to happiness, as the explicit end of human activity, in terms of which, for him, happiness is intimately related to virtue (350BC; cited in Hayman, 2014). For Aristotle, virtue can be achieved by maintaining a balance between excesses and deficiencies of things. It could be precisely understood as maintaining the moderation rather than the extremes. For example, central to virtue is courage which is a balance between rashness and cowardice, while a balance between wastefulness and miserliness is generosity. Aristotle's eudemonic is widely referred to in the study of wellbeing as an evaluative approach to the quality of life, and an explicit aim of human activity (Hyman, 2014; Moran, 2018).

Table 1:Different views on happiness and wellbeing by the early philosophers (Source: Author as adopted from various literature)

Early Philosophers	How they differently view happiness and wellbeing
Buddha	Happiness and wellbeing in Buddhism are achieved through mindfulness, meditation, and elimination of desire and attachment. These could be achieved by following Four Noble Truths and Eightfold Path
Confucius	Emphasised the importance of social order, respect for elders and ancestors, and living in harmony with society.
Aristotle	Considered eudaimonia or happiness to be the highest good for humans and suggested it is achieved through a life of virtue and reason. He also said that physical wellbeing and material prosperity were prerequisites for achieving happiness.
Plato	Proposed that true happiness and wellbeing could only be achieved by understanding the reality.
Socrates	Conceptualised happiness as the natural consequence of virtuous behaviour and knowledge and virtue as inherently connected.

The definition of happiness from each of these philosophers are broadly similar, however, the means to achieve happiness are distinct (see Table 2 below). For example, Buddha's way of achieving happiness is in finding the truth (the Four Noble Truth) and taking the middle path (Eight Fold Path) (Gunaratana, 2001). Confucius' emphasis is on three salient aspects namely, ethical pleasure, ethical desire and moral innocence. These three aspects play a fundamental role in guidance and evaluation of an individual's life and goes on to describe happiness as ethical pleasure (Luo, 2019). Like the Greeks, Confucius argued that people pursued sensual satisfaction over true happiness but suggested that true happiness had to be derived from ethics to be valid. Unlike the Greeks, Confucius placed greater emphasis on the importance of linking individuals and wider communities (Stearns, 2021). For Plato and his pupil Aristotle, happiness is impossible without virtue. Thus in *The Republic*, which represents the closest systematic vision of moral and political life in classical philosophy (Waterfield, 2015), he wrote, "in order to be happy, one has to be moral. Therefore, a moral person is happy, whereas an immoral person is unhappy" (350BC, as quoted in Waterfield, 1994. p.42). Plato is a follower of Socrates and teacher of Aristotle. Plato is the first Western thinker who attempts to set out a comprehensive political vision of a just society (Orr, 2017).

Table 2: *Similar views on happiness by the early philosophers (Source: Author as adopted from various sources of literature).*

Similar views on happiness by the early philosophers (Source: Author as adopted from various sources of literature).

The Importance of Virtue and Moral Character:	All of the early philosophers emphasised the importance of virtue and moral character in achieving happiness and wellbeing.
The Role of Reason and Wisdom:	Socrates famously said that the unexamined life is not worth living. Buddha taught the true nature of reality. Aristotle, Plato, and Confucious valued self-reflection, reasoning as critical to wellbeing
Happiness as Internal State	All of the early philosophers viewed happiness as a state of mind or being, and that happiness comes from within, and not form external possessions

Besides the philosophical views on virtue, morality, reality, and righteousness, these early philosophers also talked about politics and governance. Their conceptualisation of politics and governance are exactly in line with most of the tenets of GNH. For example, the Buddha suggested that the best form of government is a moral leadership guided by principles of compassion, generosity, and respect for life; ensuring welfare of the people, protecting the environment, upholding rule of law, and safeguarding the country; emphasising the importance of democratic decision-making and consultation; and severely critiquing corruption (Harvey, 2000; Keown, 1992; Keown, 2004; Ling, 1966; Walshe, 1987). A Confucius model of governance and politics is centred around virtue and benevolence. Based on this model, the state might pursue to establish a polity genuinely reflective of the ethical nature of humanity, uphold moral authority, follow traditional rites and customs and promote social harmony (Ames & Rosemont Jr, 2010; Taylor, 1990; Wang, 2011; Yao, 2000). For Aristotle, the state was a natural community that existed to enable its members to live a good life. In Aristotle's political philosophy, the concept of virtue played a pivotal role, as he asserted that the state's purpose was not merely to provide a framework of actions, but also to foster a virtuous character in its citizens (Sinclair, 2013; Young, 2000), which is exactly what GNH envisioned. Socrates and his pupil Plato had profound insights into politics and governance. Plato thoroughly discussed politics and governance in his works, The Republic and The Statesman, where he envisions an ideal state lead by a philosopher-king (characterised by love for wisdom, knowledge and truth, that are just and beneficial for all citizens); auxiliaries (state guardians), and producers (responsible for goods and services essential for the survival and prosperity of the state). Each position fulfills a specific role and thereby contributes to the efficient functioning of the state (Cooper & Hutchinson, 1997; Plato & Waterfield, 1993; Waterfield, 2008, 2015). This is exactly the current operating structure of governance in Bhutan. The Kings of Bhutan

serve the country with benevolence, selflessness, foresight, and wisdom and seek to be just and beneficial for all citizens of Bhutan (Centre for Bhutan and GNH Studies (CBS), 2018, 2023; Nishimizu, 2008; Tashi & Mathou, 2015; Ura et al., 2012).

While the early philosophers did not mention specifically the environment as we conceptualise it today, their philosophies applied to environmental conservation and respect for the natural world. The Buddha's teachings on the interconnectedness of all things, non-violence towards all living beings, deeper understanding, respect for the natural world and ethical living (Harvey, 2000; Rahula, 1967) underline a deep respect and care for the environment. Likewise, Socrates's philosophy on the examination of our beliefs and actions, and Plato's view that nature would be a reflection of the perfect forms and that nature should be respected and preserved (Fine, 2019) as well as Aristotle's concept of "Great Chain of Being" which posits a hierarchy in the natural world nevertheless includes deep respect for the essence of each natural category (Pachymeres & Xenophontos, 2022). Confucius' central concepts were harmony, respect, and care for the world around us, highlighting the need to maintain harmony between heaven, earth, and humanity (Ames & Rosemont Jr, 2010; Yu, 2007).

Similar to their views on the environment, the early philosophers' views on the economy and economic theories as a field of inquiry were not directly recorded. However, their views on economic matters can be inferred. For example, Buddha's concept of right livelihood, ethical principles, and profound teachings can be applied to the economic sphere. Most applicable is Buddha's wise observation that where there is greed, there is no happiness, and the principle of non-attachment (Ash, 2007; Brown, 2015; Brown & Zsolnai, 2018; Daniels, 2005; Drechsler, 2019; Payutto & Evans, 1994; Prayukvong et al., 2017), which discourages excessive wealth accumulation. Confucius views on social harmony, ethics, morality, fairness and basic needs (Ames & Rosemont Jr, 2010; Yu, 2007) implies a role for ethical responsibilities of rulers and superiors in economic affairs. Likewise, Socrates and his pupil Plato envisioned an ideal society where resources and tasks are distributed as per societal needs (Cooper & Hutchinson, 1997; Fine, 2019; Waterfield, 2008, 2015). Aristotle argued for the proportional distribution of goods, and laid groundwork for the concept of justice (Kraut, 1989; Moran, 2018; Pachymeres & Xenophontos, 2022).

These philosophers and their philosophies from 2500 years ago have significantly influenced philosophy, and thought leaders, from different cultures thousands of years later, precisely around the same period (see Table 3 below). For instance, Buddha's influence and teachings of Buddhism were brought to Bhutan by the great Buddhist master and the founder of Bhutan: Zhabdrung Ngawang Namgyel [Zhabdrung]. Zhabdrung's legal code of Bhutan of 1729 stated that the role of the state is to create happiness of the people. He created a dual system of

authority where spirituality and polity converge at the heart of the governance (Centre for Bhutan and GNH Studies (CBS), 2016). Plato's influence on John Stuart Mill and utilitarianism is evident from his autobiography (1873) where John Stuart Mill described himself as a pupil of Plato (Loizides, 2013). It may be worth mentioning that the Western philosophy is, generally, a footnote to Plato. Western philosophy acknowledges Plato as a towering figure for an entire way of thinking about fundamental questions (Whitehead, 1929). Confucius' work on morality and ethics gained considerable importance among European thinkers when it was first translated into European languages in 1687 by the Jesuit missionaries (Parker, 1978).

Table 3: *Prominent proponents of happiness and wellbeing in different era (Source: Author as adapted from various literature cited above).*

Prominent proponents of happiness and wellbeing in different eras (Source: Author as adapted from various literature cited above).

Buddha (623 BC) taught Four Noble Truths and Eightfold Path to achieve transcendent happiness.	Confucius (551 BC) taught Analects on humanity and virtue as sources of happiness.	Socrates, Plato and Aristotle (470 - 384 BC) introduced highest Virtuous and Morality; The Republic; and Eudaimonia (Happiness as the central purpose of human life).
⬇	⬇	⬇
Zhabdrung in Bhutan. Law that the purpose of government is to create happiness for people (1729)	Jesuit missionaries (1687) Translated Confucius work on happiness gained importance	Jeremy Bentham (1789) and his student John Stuart Mill (1863)'s Utilitarianism
⬇		
Fourth King of Bhutan proclaimed Gross National Happiness in 1970s		

2.3. Utilitarianism and Happiness in Governance

In the 18th century, Jeremy Bentham (1789) and his student John Stuart Mill (1863) developed a new iteration of eudaimonia, or happiness, called utilitarianism. Utilitarianism is described as one of the most important ideas in the history of moral philosophy (Mill, 2017). It provides a rich articulation and defence of an influential approach to thinking about ethics. Utilitarianism is an ethical theory that places emphasis upon the overall good of society and promoted policies and behaviours that brought about "the greatest good for the greatest number of people" (Bentham,

1789, as cited in Hyman, 2014). Bentham (1789) explained that actions are morally permissible if, and only if, they produce at least as much net happiness as any other available action.

Bentham's utilitarianism is, however, heavily criticised for laying emphasis only on happiness and not total wellbeing (Markovits, 2010). For example, the more resources we have the less impact the resources have on us, adding significantly to the utility monster. The same number of resources can have different impacts on different people, or at different times for the same people. This effect was demonstrated by Hermann Meinrich_Gossen (1810-1858), and Alfred Marshall (1890) in their work on the diminishing marginal utility of wealth. It is also difficult to value the less valuable, given that the less valuable is transitive (Markovits, 2010).

In 1863 Mill adopted the "greatest happiness principle" (Hyman, 2014), and, like Bentham, Mill also wrote about the greatest good as the most moral. Further, Mill distinguished different forms of pleasure, suggesting that the intellectual and moral pleasures are superior to physical ones, and divided happiness into higher and lower forms of happiness. This is known as Mill's higher pleasure doctrine (Hyman, 2014). While Bentham proposed that whatever an individual thought was pleasurable for them must be taken as worthwhile, Mill introduced the idea that only certain pleasures are worthwhile. To do this, Mill introduced an objective conception of the good as underpinning his new view on utilitarianism, and that is why Mill heralds a new tradition of welfare liberalism, or social democracy, which inspired a whole group of thinkers such as Thomas Hill Green (1832-1882) in his *Principles of Political Economy*; Francis Herbert Bradley (1846-1924) in his famous quote, "Why Should I be Moral?"; Bernard Bosanquet (1848-1923) in his *Philosophical Theory of the state*; as well as John Maynard Keyes (1883-1946) who developed the economic theory which underpins the welfare state in Britain in the early 20th Century.

Mill disapproved of English society relying too much on tradition. He believed that works such as William Paley's *The Principles of Moral and Political Philosophy* (1785) and Jeremy Bentham's *An introduction to the Principles of Morals and Legislation* (1789), contained defects that blighted the forms of utilitarianism, which prompted him to seek for better methods. These circumstances formed the background for his own foray into the systematic re-theorisation of utilitarianism thinking, based as it was on the adage that actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness (Mill, 1859). Today, the writings by Mill on utilitarianism are the most widely read essays on moral philosophy (Mill, 2017). However, happiness economists are now increasingly interested in the nature of happiness, the role of rules in morality, and the compatibility of justice with promoting overall good. For utilitarianism as a political policy the easiest objective is to apply the theory in which it is possible to significantly reduce the suffering for some, with little or no reduction or increase in happiness and suffering.

Adherents of utilitarianism, believe the state must ensure that everyone's basic needs are met. Therefore, utilitarianism is a reform project for effective altruism (Lazari-Radek & Singer, 2017). Followers of utilitarianism, like Peter Singer's writings on *Famine, Affluence and Morality* (1972), Nick Bostrom's writings on *Reducing the Risk of Human Extension* (2002), and works by Toby Ord and Will MacAskill on setting up *Giving What We Can* (2009), are a strong effective altruistic response to 700 million people living in extreme poverty and nearly six million children dying each year from avoidable, poverty-related causes world-wide. In the 2015 survey of nearly 3000 effective altruists, 56 percent described themselves as utilitarians, including Ord and MacAskill who described themselves as placing more credence on utilitarianism than on any other moral view (Lazari-Radek & Singer, 2017). The question arises, however, whether utilitarians should aim at the highest average level of happiness or at the greatest total. The UN General Assembly in 2012 invited member countries to recognise happiness as a fundamental human goal. The UN resolution was moved by Bhutan, the pioneer in promoting GNH. Inspired by this development philosophy of Bhutan (UNDP, 2019a), several governments and institutions, as well as scientists and policy makers are working on measuring happiness and understanding what increases it. The idea of happiness as a fundamental goal of public policy is gaining support. The core elements of Mills utilitarianism such as the utility principle, and the greatest happiness principle, and the principles of GNH on collective happiness coverage.

2.4 Contemporary Study of Happiness and Wellbeing

The pursuit of happiness is a fundamental human endeavour. A growing body of literature has on happiness and wellbeing in a variety of disciplines has emerged in recent years. For example, research in economics (Binder & Coad, 2021; Blanchflower, 2019; Clark et al., 2008; Deaton, 2008; Dolan et al., 2011; Dolan et al., 2008; Frey & Stutzer, 2002; Stevenson & Wolfers, 2013) has examined the relationships between income, happiness and wellbeing. Studies in psychology (Abbas et al., 2022; Abdivalievna, 2023; Diener & Biswas-Diener, 2008; Oishi & Westgate, 2022) have investigated the nature of happiness and the psychological process that contribute to wellbeing and quality of life. In Sociology (Fischer, 2014; Helliwell, 2006; Helliwell & Huang, 2008; Helliwell & Putnam, 2004; Holt-Lunstad et al., 2010), research have examined the connection between happiness and sociology by focusing on the dimensions of social relationships, culture, inequality, and social policy. Exploring the intersection of happiness and wellbeing has also been a focus area of research in recent years. Thus, Fredrickson (2013) suggested that experiencing positive emotions, which is an essential aspect of happiness, is fundamental for building wellbeing. Likewise, Lyubomirsky et al., (2005) provided strong evidence that happiness leads to success across various life domains, thereby creating a positive loop with wellbeing. These scholars are clearly interested in the well-being of the people and the implications for policy making. Further work has been done on the intended and unintended consequences of policy initiatives and

happiness discourses (Bartram, 2012); the inclusion of happiness dimension in public policy (Veenhoven, 2004); sociological theories of subjective well-being (Veenhoven, 2008); the value of economies of sustainable development (Rogers, 1996), and the relationship between economics, public policy, and happiness (Graham, 2011; Layard, 2005).

Studies on happiness have explored the impact of happiness on a variety of people's everyday lives. For instance, happiness has been found to have a positive influence on income (Graham et al., 2004; Sujarwoto, 2021), higher academic achievement (Adler, 2016; Arar & Öneren, 2021; Giannetti et al., 2021), creativity and emotional resilience (Fredrickson, 2001), child development (Stifter et al., 2020), positive health behaviour (Van Cappellen et al., 2018), and overall success in life (Boehm & Lyubomirsky, 2008; Lyubomirsky et al., 2005). However, apart from few studies on happiness and public policy, research on happiness as a central theme for government policy is scarce. Even more scarce is literature on Eastern centric happiness, as Lomas et al. (2021) claimed that contemporary scholarship on happiness is Western centric and a Western preoccupation. As evident from the earlier section, Greek philosophers' (Western) approach to happiness was more individualistic, while the Buddha and Confucius' (East) theories took a collective approach to happiness. Therefore, an increasing number of scholars have argued that an inquiry into happiness should be culturally grounded (Joshanloo, 2014; Kitayama et al., 2000; Uchida et al., 2004).

2.5 Shift in Focus: From Early Philosophers to Contemporary Studies on Happiness and Wellbeing

The focus on happiness and wellbeing has evolved significantly from early philosophical notions to complementary studies. The early philosophers discussed above primarily focused on virtue, wisdom, and morality. For them, the determinants of happiness were an individual's inner attitudes and acceptance of their circumstance, avoidance of greed, and pain as the basis of happy life. Thousands of years later, in the 18th and 19th century, the emergence of utilitarianism in the west represented a significant shift. The emphasis then was on actions that maximise pleasure and minimise pain for the greatest number of people, and the focus moved from individual virtue and tranquilly towards an aggregation of wellbeing (Bentham, 1789; Mill, 1859; Mill, 1884). Likewise, in the 17th Century in the East, Zhabdrung in Bhutan emphasised the importance of the government to create conducive conditions for people to enhance happiness and wellbeing (Centre for Bhutan and GNH Studies (CBS), 2016, 2023). The nations and economists in the 1930s were looking to quantify societal wellbeing and progress, and the answer required quantifiable information on individual's and societal wellbeing. It was then that the focus shifted towards a much easier measure of welfare which is the Gross Domestic Product (Ash, 2011). The presumption is that increased consumerism increases happiness. So, at the time, the full account of transactions for goods and services in Gross Domestic Product (GDP) was assumed to correlate with happiness.

The exploration of happiness and wellbeing in the recent studies have taken a more empirical turn with the advent of positive psychology. Martin Seligman, the founder of positive psychology, explained that true wellbeing derives from positive emotions, engagement, relationship, meaning, and accomplishment, and developed the PERMA model which outlines those elements of life that contribute to our sense of wellbeing (Seligman, 2011). Then emerged the concept of subjective wellbeing, which was developed by Ed Diener, another key figure in contemporary studies on happiness and wellbeing. Diener suggested that happiness is a combination of life satisfaction, shifting the focus from a prescriptive philosophy of happiness to the individual's own assessment of their life satisfaction and balance of positive to negative affect (Diener, 1984; Diener & Biswas-Diener, 2008). Bhutan's GNH is a measure of the nation's prosperity and progress, towards a sustained, harmonious, and just society, implying that the ultimate purpose of development should be to raise the happiness and wellbeing of the country's population at large. Based on this governing ideology, Bhutan measures the happiness and wellbeing of the entire populations from a multidimensional perspective. Therefore, the GNH index is an unique approach that includes both traditional areas as well as subjective wellbeing. The section below describes the GNH and GNH indexes in detail.

2.6 GNH Policy and Practice, the Government Performance Perspective

The significance and emphasis on happiness and wellbeing in Bhutan is unique. The Fourth King of Bhutan (referred to as the Great Fourth), His Majesty Jigme Singye Wangchuck coined the phrase "Gross National Happiness is more important than Gross Domestic Product", as a development philosophy for Bhutan in the 1970s (Centre for Bhutan and GNH Studies (CBS), 2016, 2023; Ugyel et al., 2023; K Ura et al., 2012; Verma & Ura, 2022). Since then, happiness has been the national conscience in Bhutan, where people's happiness and wellbeing have practical applications in the developmental policy and programmes. Accordingly, in 2004, the Kingdom of Bhutan became the only country in the world to officially measure its wellbeing by Gross National Happiness (GNH) instead of Gross Domestic Product (GDP) (Ash, 2011). Since 2008, under the Constitution of the Kingdom of Bhutan, happiness was codified as an overarching government policy and goal of Bhutan. The following subsections discuss GNH in detail.

2.6.1 What is Gross National Happiness?

Gross National Happiness as a concept originated from His Majesty the Fourth King of Bhutan, Jigme Singye Wangchuk (See Chapter Four for details of its historical and philosophical origin and influence). His Majesty's vision for the country, as the newly crowned King and as the Chairman of the Planning Commission of Bhutan in the early 1970s, was that the happiness and wellbeing of the people must precede the economic development, and that Gross National Happiness is more important than Gross Domestic Product. GNH, then, was established as a measure of a nation's prosperity and progress. Thus, the concept of happiness as captured by GNH index is distinct from

Western conceptualisations of happiness in several ways. First, unlike other happiness studies, GNH includes both subjective wellbeing as well as other empirical dimensions, therefore it is multidimensional. Second it internalises other-regarding motivations which is itself relevant for policy and is also directly associated with a linked set of policy and programme screening tools, as well as happiness certification tools (Ura et al., 2012). Western studies often assume that higher GDP per capita corresponds to a higher level of happiness (Deaton, 2008; Stevenson & Wolfers, 2008, 2013) and therefore rely on GDP as an indicator of happiness and wellbeing. For GNH, economic activity is just one among many factors (*see Figure 5 below*). Western studies often separate different aspects of life, such as work-life balance, health, income, social connections, and life satisfaction, into individual categories (Helliwell et al., 2020), whereas GNH views these elements as interconnected parts of a whole, seeking balance and harmony among them (Ura et al., 2012). The papers cited above also indicate that while Western studies generally measure happiness based on quantifiable factors and personal satisfaction, GNH includes spiritual wellbeing as a core element of happiness. Moreover, compared to Western studies that unapologetically are mostly concerned with personal and immediate satisfaction and often focus on individual happiness (Uchida et al., 2004), GNH emphasises sustainable development, environmental and cultural prospects, and community vitality and collective happiness (Centre for Bhutan and GNH Studies (CBS), 2016, 2023; Ugyel et al., 2023; Ura et al., 2012). For example, the perceived sources of happiness elsewhere cite categories such as money, wealth, financial security, relationships, family, spirituality, and religion (Crossley & Langdridge, 2005; Gunawardena, 2015; Jaafar et al., 2012; Kim et al., 2007; Lee et al., 2000; Leontiev & Rasskazova, 2014; Lu & Shih, 1997; Primasari & Yuniarti, 2012; Sotgiu, 2016). Bhutanese people, however, cited employment, education, and future success of significant others, amongst spirituality, community, and support to agriculture, as perceived sources of happiness for them (Wangdi, 2019).

Since the conceptualisation of GNH, the concept, essence, and key objectives have remained the same. However, the components and the means to achieve GNH have changed forms over time. Initially, GNH was defined by four pillars, namely (1) sustainable and equitable social-economic development; (2) environmental conservation; (3) preservation and promotion of culture; and (4) good governance to effectively execute the other three pillars (Royal Government of Bhutan, 1999; Ura et al., 2012). These four pillars provided the foundation for Bhutan's *Vision 2020* policy and each of the five-year plans that have been devised thereafter. The profound vision of GNH is articulated and operationalised through various mechanisms as discussed in the following subsections.

2.6.2 What is Gross National Happiness Index?

The purpose of GNH is to find out what percentage of the people are happy, and not so happy, and where any unhappiness is arising from? Which regions within Bhutan are happier or unhappy, and

for which age groups, or for which occupation groups? And what policy interventions and development activities must be reinforced. To address these categories, a periodic GNH survey was developed, a survey that could potentially orient the country's national development plans towards achieving happiness and wellbeing of its people. It was for this noble purpose, the components of GNH from four pillars expanded to nine domains and 33 indicators, and these 33 indicators are further unpacked into 124 variables (Centre for Bhutan and GNH Studies (CBS), 2018, 2023; Ugyel et al., 2023; Ura et al., 2012). The first three domains are in consistence with the universal human development perspective such as living standards, health and education; the next three are a bit newer such as time use, good governance, and ecological resilience; the last three are more innovative Bhutanese perspectives such as psychological wellbeing (emotions and spirituality among overall happiness), community vitality, and cultural diversity and resilience. Figure 5 below shows the nine domains and 33 indicators.

Figure 5: Nine domains and 33 indicators of GNH (Centre for Bhutan and GNH Studies (CBS), 2016, 2023).

The periodic nation-wide GNH surveys began in 2010 (the second one in 2015), intended to capture a comprehensive picture of Bhutan's happiness and wellbeing, and to invent policies and programmes to enhance individual and societal wellbeing. While the Centre for Bhutan Studies and GNH was instituted as an independent arm to implement the surveys, the Gross National Happiness Commission was instituted as the central agency to implement GNH policies and plans. The GNH

survey applies indicator-level sufficiency cutoffs and assesses people to see if they are deprived or have achieved sufficiency in each of the 33 indicators, and nine domains. Table 4 below describes the indicators and indicator sufficiency thresholds in greater detail.

Table 4: Indicators, and indicator sufficiency thresholds (Centre for Bhutan and GNH Studies (CBS), 2016).

Indicators	Variables and Indicator Sufficiency Thresholds
Life Satisfaction	A person is said to be sufficient if they scored at least 19 in the life satisfaction score. The life satisfaction index score ranges from 5 (low satisfaction) to 25 (high satisfaction). The life satisfaction score comprises five variables that assess respondents on their satisfaction levels with respect to health, occupation, family, standard of living, and work life balance
Positive emotions	A person is said to be sufficient if they scored at least a positive emotion score of 21. The score combines the frequencies of positive emotions felt (compassion, generosity, forgiveness, contentment, and calmness).
Negative emotions	A person is said to be sufficient if they scored at least 8 and 11 in the two respective negative emotion scores. The first negative emotion score combines frequencies of negative emotions such as anger, fear, and worry. The second combines selfishness and jealousy.
Spirituality	A sufficiency threshold of 13 is applied, which implies that respondents must rate either "regularly" "moderately" or "occasionally" for spirituality level and consideration of karma variables, and rate "several times a day" "once a day" or "a few times a week" for frequency of prayer recitation and meditation.
Self-reported health status	For a person to be sufficient in self-reported health status, he or she must have a rating of "excellent" or "very good".
Healthy days	A person is said to be sufficient if he or she has at least 26 healthy days in the recent month.
Disability	A person is said to be sufficient if they report having a disability and that disability was restricting their daily activities to "all the time" or "sometimes".
Mental health	A person is said to be sufficient if they have achieved a mental health score of 15. The mental health score is made up of 12 questions ranging from 0 to 36. A lower score between the ranges of 0 to 15 indicates normal mental wellbeing, a score between 16 and 20 indicates some mental distress and a high score of 21 to 36 indicates severe mental distress
Work	A person is said to be sufficient if they worked no more than eight hours
Sleep	A person is said to be sufficient if they sleep no less than eight hours
Literacy	A person is said to have achieved sufficiency if they were able to read and write in any one language, English, Dzongkha or Nepali
Schooling	A person is said to have achieved sufficiency if they had six years of schooling
Knowledge	A person is said to have sufficiency if they had achieved a knowledge score of 19. The knowledge variables include: knowledge of local legends and folk stories, knowledge of local festivals (*tshechus*), knowledge of traditional songs, knowledge of HIV/ AIDS transmission, and knowledge of the Constitution. The knowledge score ranges from 5 (low) to 25 (high).
Values	A person is said to have sufficiency if they consider at least one of the values to be justifiable. The value indicator consists of five destructive

	actions: killing, stealing, lying, creating disharmony in relationships and sexual misconduct.
Zorig Chusum skills (artisan skills)	A person is said to have sufficiency if they have responded at least "yes, very well" or "yes, very little" to at least one of the 13 artisan skills (weaving, embroidery, painting, carpentry carving sculpture, casting, blacksmithing bamboo works, goldsmithing and silversmithing masonry, leather works and papermaking).
Cultural participation	A person is said to have sufficiency if they have attended at least six days of social or cultural events taking place in the community in the past 12 months
Speak native language	A person is said to have sufficiency if they have responded "very well" in terms of fluency of their mother tongue
Driglam Namzha (Way of Harmony)	A person is said to have sufficiency if they have rated "important" to *Driglam Namzha* and said "getting stronger" in terms of perceived change in practice and observance during the last few years.
Political participation	A person is said to have sufficiency if they have reported "yes" to the voting in the next election and have attended at least one meeting (*zomdue*) in the past one year.
Services	A person is said to have sufficiency if they have achieved sufficiency in four basic services. They live in an area which is less than an hour's walk to the nearest healthcare centre. They report disposing of waste by either "compositing", "burning", or "municipal garbage pickup". They have piped water into their dwelling or outside of their house or a public outdoor tap. Lastly, they have "good" or "very good" quality access to water.
Government performance	A person is said to have sufficiency if he/she achieved at least 28 in government performance score. The score consists of ratings across seven questions (employment, equality, education, health, anti-corruption, environment and culture) and has a maximum of 35, indicating high performance, and minimum of 6, indicating low performance of the government. A sufficiency threshold of 28 means a person has to perceive that public services are "very good" or "good" in at least five of the seven performance aspects.
Fundamental rights	A person is said to be sufficient if they have reported "yes, definitely" or "yes, maybe" to all seven fundamental rights and freedom statements (freedom of speech and opinion, the right to vote, the right to join the political party of their choice, the right to form *tshogpa* (association) or to be a member of the *tshogpa,* the right to equal access and the opportunity to join public service, the right to equal pay for work of equal value, and freedom from discrimination based on race, sex, and so on.
Donation (time and money)	A person is said to have sufficiency if a donation of at least 10% of household income was made and they have volunteered at least three days in the past 12 months.
Safety	A person is said to have sufficiency if he/she has not been a victim of crime in the past 12 months.
Community relationship	A person is said to have sufficiency if sense of belonging to the community was rated at least 'very strong' and trusted at least "some of them" in the community
Family	A person is said to have sufficiency if he/she achieved at least 16 in the family relationship score. The family relationship score consists of six questions and has a maximum of 18 and minimum of 6.
Wildlife damage	A person is said to have sufficiency if wildlife has not affected the household's crops or if the household land has not been left uncultivated

	due to wildlife damage. This indicator is applicable to those living in rural areas, particularly to farmers.
Urbanisation issues	A person is said to have sufficiency if the responses were "content" or "very content" to the quality of pedestrian streets. This indicator is only applicable to those living in urban areas.
Responsibility towards environment	A person is said to have sufficiency if the response was "highly responsible" towards environmental conservation
Ecological issues	A person is said to have sufficiency if responses were "contended" or "very contented" or "no" to at least three of the seven environmental issues of concern (noise pollution, air pollution, river and stream pollution, littering, floods, soil erosion and absence of waste disposal sites).
Household per capita income	A person is said to have sufficiency if the annual household per capita income was at least Nu. 32,951.27. To allow comparability with 2010, an alternative poverty line was estimated using 2015 and 2022 Consumer Price Index (CPI)
Assets	A person is said to have sufficiency if the household owns at least two appliances (mobile phone, fixed-line telephone, personal computer, refrigerator, colour television and washing machine), or owns at least five livestock, or owns around five acres of land.
Housing	A person is said to have sufficiency if he/she lives in a housing with roofing of CGI sheet/concrete brick/stone (any one of the roofing materials specified), toilet at pit latrine with slab and the housing has a room ratio of two.

The past three surveys of 2010, 2015, and 2022 have shown that the happiness of the Bhutanese people is increasing. In 2010, the happiness index was at 0.743 and the incidence of deeply or extensively happy people was at 40.9%. In 2015, the happiness index increased to 0.756, and the incidence of deeply or extensively happy people also increased to 43.4%. In 2022, the happiness index further increased at 0.781, and the incidence of deeply or extensively happy people also increased to 48.1% Table 5 below illustrates the happiness gradients of Bhutan across the three national GNH surveys. These findings reveal the details of the components of happiness or unhappiness. The GNH index is of national importance as it helps build an enabling environment for all Bhutanese to be happy, guided by the philosophy of GNH. Article 9, section 2 of the Constitution of the Kingdom of Bhutan (2008) now mandates the government to promote those conditions that will enable the pursuit of Gross National Happiness (Royal Government of Bhutan, 2008).

Table 5: *Happiness gradients of Bhutan across the three national GNH surveys (Centre for Bhutan and GNH Studies (CBS), 2023).*

Gradients	Happiness threshold	2010	2015	2022
Happy		40.9%	43.4%	48.1%
Deeply Happy	77-100%	8.3%	8.4%	9.5%
Extensively Happy	66-76%	32.6%	35.0%	38.6%
Not-yet-happy		**59.1%**	**56.6%**	**51.9%**
Narrowly Happy	50-65%	48.7%	47.9%	45.5%
Unhappy	0-49%	10.4%	8.8%	6.4%

The GNH index also measures the sufficiency level of people across the nine domains and 33 indicators as illustrated in Figure 6 below showing the % of people enjoying efficiency across the 33 indicators in the 2015 survey.

Figure 6: *People enjoying sufficiency across the 33 indicators (Centre for Bhutan and GNH Studies (CBS), 2016).*
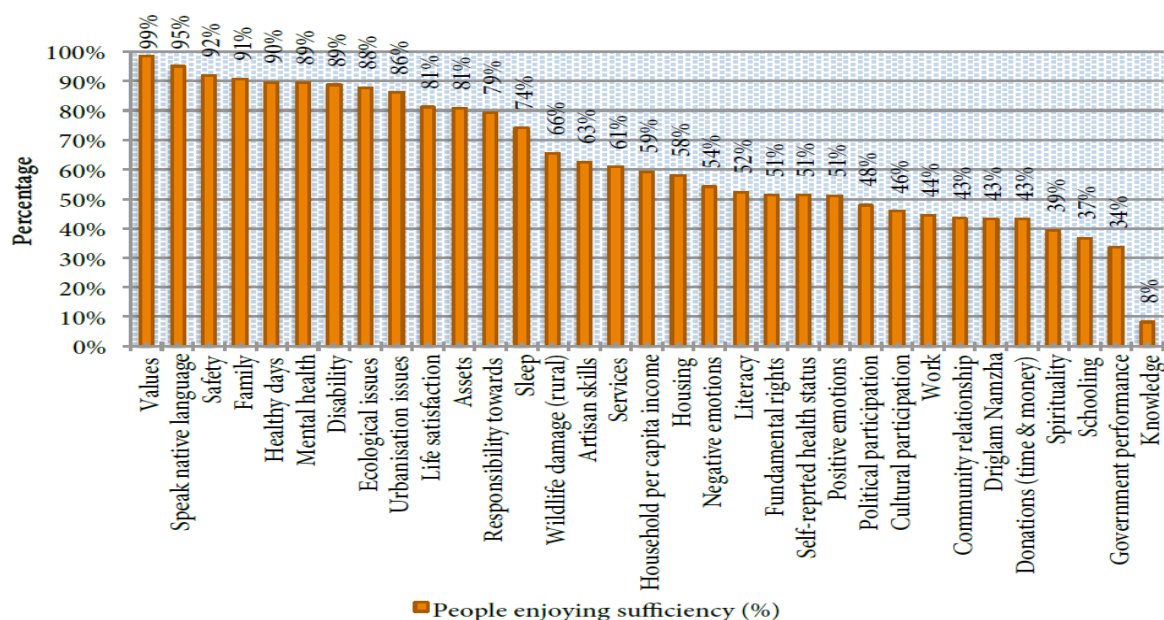
Both the 2010 and the 2015 surveys showed that of the nine domains, good governance was among the lowest contributing domains to the happiness index. The 2015 survey shows that of all the 33 indicators, knowledge and government performance were the lowest contributing indicators to people's sufficiency in happiness and wellbeing. When compared to the 2010 survey, the government performance indicator was the most prominent decrease in sufficiency level which fell

by 46 percentage points. (*See Figure 7 below*) absolute change in percentage of people enjoying sufficiency.

Figure 7: Absolute change in percentage of people enjoying sufficiency across 33 indicators (Centre for Bhutan and GNH Studies (CBS), 2016).
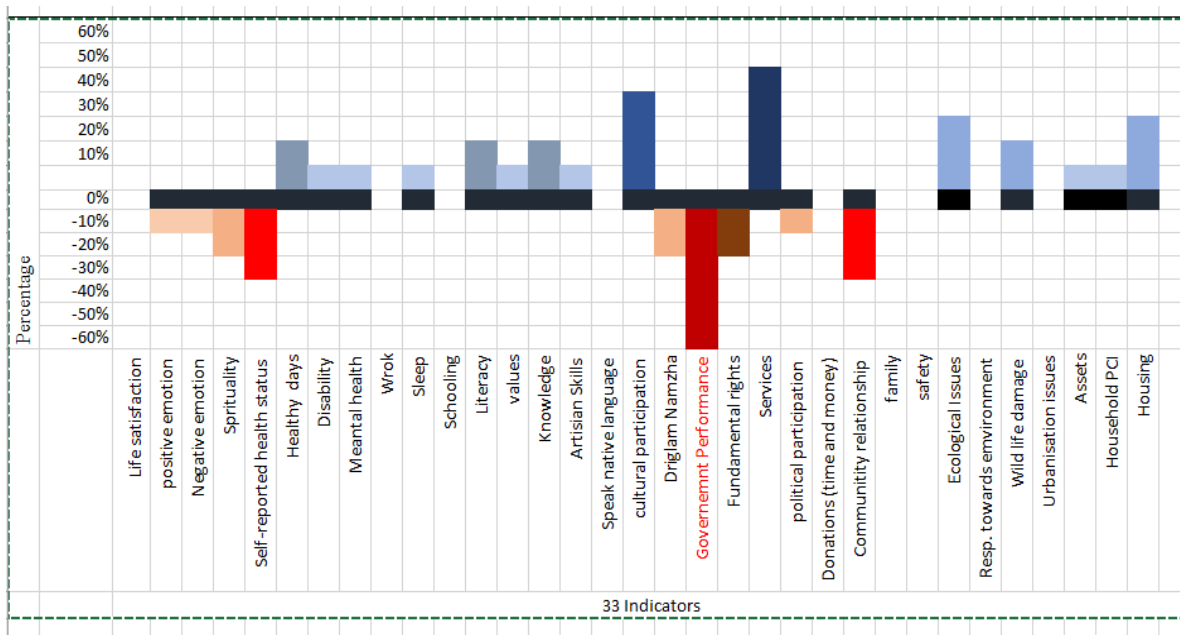
Good governance features in one of the four pillars of GNH, and also features in one of the nine domains of GNH, mainly because of its importance in driving and delivering the entire GNH indicators effectively. However, the people's perception of government performance is extremely low. Therefore, this thesis zooms in on the government performance details to understand the issues and barriers in government performance.

The national GNH survey 2015 CBS (2016) revealed that the domains that made the smallest contributions to the value of GNH were education (9.78%), good governance (10.18%) and psychological wellbeing (10.48%), while the highest contributing domains were good health (13.10%), ecology (12.41%) and community vitality (11.56%). As for the percentage of people enjoying sufficiency, the perception of government performance was the second lowest with 34% sufficiency, among the 33 indicators. In addition, all seven sub-indicators for Government Performance have declined in the last five years between 2010 and 2015. Table 6 below presents the percentages of sufficiency for the sub-indicators under government performance.

Table 6: *Table 6: Perception of government performance, by year (Centre for Bhutan and GNH Studies (CBS), 2016).*

		Government Performance	
		Very poor/Poor/Average/Don't Know	Good/Very good
		% (n)	*% (n)*
Performance in creating jobs	2010	16.23 (1158)	83.77 (5959)
	2015	62.13 (4437)	37.87 (2704)
Performance in reducing gap between rich and poor	2010	20.54 (1465)	79.46 (5667)
	2015	62.58 (4467)	37.42 (2671)
Performance in providing educational facilities	2010	5.76 (411)	94.24 (6723)
	2015	23.60 (1685)	76.40 (5456)
Performance in improving health facilities and services	2010	5.83 (416)	94.17 (6715)
	2015	21.75 (1969)	78.25 (5587)
Performance in fighting corruption	2010	26.99 (1923)	73.01 (5203)
	2015	53.42 (3814)	46.58 (3325)
Performance in protecting the environment	2010	6.39 (456)	93.61 (6675)
	2015	18.82 (1344)	81.18 (5797)
Performance in preserving culture and traditions	2010	7.59 (541)	92.41 (6591)
	2015	22.22 (1587)	77.785554)

2.6.3 Gross National Happiness Screening Tool

The GNH index shows the happiness portrait of the Bhutanese people. Next the Royal Government of Bhutan wanted to ensure that all policies and programmes are in sync with GNH indicators. It was then that, the GNH screening tool was developed, categorically for decision making on policies. The main objective of the GNH screening tool is to provide a systematic review and appraisal of the potential effects of proposed policies and projects on the key determinants of GNH that will impact the happiness of the population (Centre for Bhutan and GNH Studies (CBS), 2016; Penjore, 2008). The idea is to select GNH-enhancing policies and projects and reject those that

adversely affect key determinants of GNH. The screening tool consists of nine domains and 22 variables, and each variable is rated on a 4- pointer scale (1 being the most negative and 4 the most positive score) (Gross National Happiness Commission, 2015; Penjore, 2008). For example, "equity" is one of the key determinants in policy screening tool, therefore the impact of a particular policy on "equity" is scored from 1 to 4 as illustrated in Table 7 below.

Table 7: Illustration of the score of variables (Penjore, 2008).

Equity

Will probably favour higher income groups more than lower income groups	Do not know the differential effects on income groups	Should not have any appreciable effects on income distribution	Will probably favour lower income groups more than higher income groups
1	2	3	4

So how should the score be read?

> If the score is 1, the impact is negative; so the policy must be rejected. If the score is 2, the impact is unknown; so the policy must be reviewed. If the score is 3, the impact is neutral; so the policy must be approved. If the score is 4, the impact is positive; so the policy must be approved (Penjore, 2008, p. 7)

The protocol for policy formulation follows specific processes (Royal Government of Bhutan, 2015). Any agency that proposes formulating a new policy or revising an existing policy must submit a concept to the GNH Commission in a prescribed format. The protocol for policy formulation then follows the two stages of *policy concept stage*, and the *policy formulation and approval stage*; The GNH commission reviews the policy concept and submits it to the Cabinet with recommendations, views, and comments; The cabinet may either approve or reject the concept note or seek further clarification; If approved, proponents are instructed to commence formulation/revision of the policy, which completes stage one. In stage two, while formulating/revising the policy, proponents should ensure that all policy alternatives have been considered; all cross-cutting issues such as gender, environment, climate change, disaster, poverty, population and others are integrated within the policy; all relevant stakeholders who may be affected by the policy are consulted; and that there is no conflict between the proposed policy and other existing policies, laws and regulations. After a series of presentations and meeting between the proponent and GNH Commission, the draft policy shall be subjected to the GNH policy screening tool. A diverse mix of stakeholders shall participate in the screening process, numbering to at least 15 participants. The gender focal point of the proponent's sector, environment

representative, and other external key stakeholders shall be involved in the screening exercise. Both the individual and consolidated GNH screening results are reviewed by GNH Commission. After series of discussions and reviews, GNH Commission submits the draft policy to the Cabinet for approval/review/rejection. During these processes the draft policy is uploaded on the GNH Commission's webpage for public review and comments. *Figure 8* below shows the policy formulation protocol in Bhutan.

Figure 8: Policy formulation process in Bhutan (Gross National Happiness Commission, 2015).
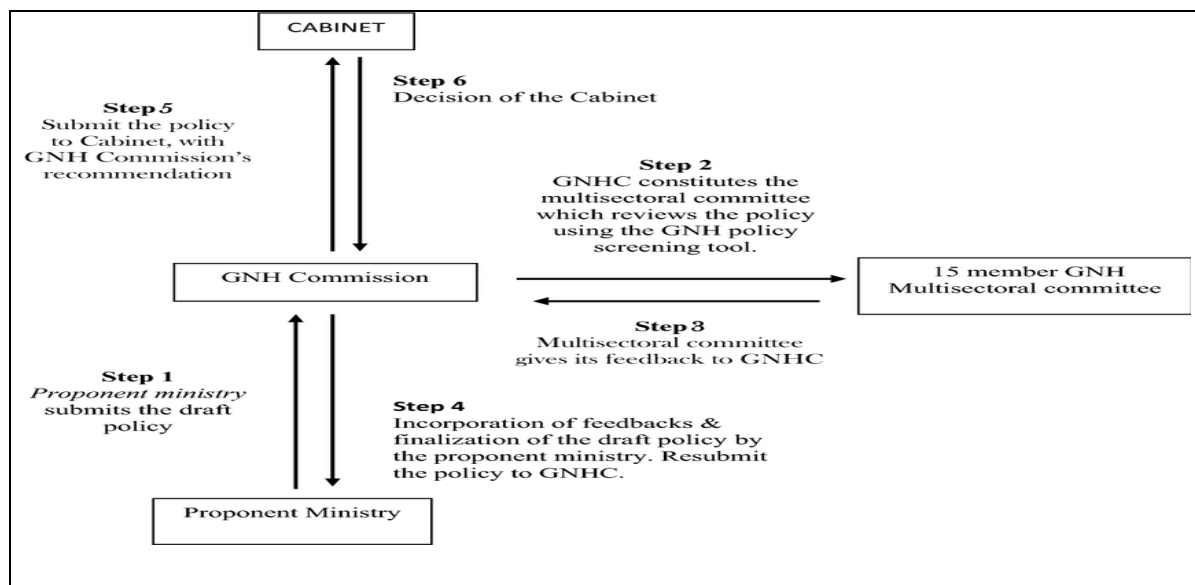
2.6.4 GNH Assessment and Certification Tool

The GNH index and the Policy Screening Tools are operated and managed by the government for the government institutions. The next focus is to enhance the social responsibility of the state-owned enterprises and the and private sector businesses. In order to integrate GNH values into business operation, the Royal Government of Bhutan reached out to them through GNH certification process.

The GNH Assessment and Certification is also built on the lens of nine domains of GNH, and each of the domains has around three to eight indicators, and there are 56 indicators altogether (Centre for Bhutan and GNH Studies (CBS), 2018). Table 8 below lists the indicators and the sufficiency thresholds used in constructing the GNH of Business index.

Table 8: *Indicators and the sufficiency thresholds used to build the GNH of Business index (Centre for Bhutan and GNH Studies (CBS), 2018).*

Indicators	Sufficiency threshold
Job satisfaction	90% of employees are "Somewhat Satisfied" or "Very satisfied" with both their job as well as the organisation as a place to work
Workplace trust	90% of employees rated 'Strongly Agree' or 'Agree' to all three trust variables
Job security	90% of employees reporting 0% chance of losing jobs
Discrimination at workplace	90% of employees feeling of not being discriminated
Harassment at workplace	90% of employees feeling of not being harassed
Negative emotions	90% of employees reporting "never" or "not in the last month" for negative emotions
Positive emotions	90% of employees reporting "Once or twice a month" or "more" for negative emotions
Occupational stress	90% of employees reporting "Not at all" or "Only a little" occupational stress
Workplace health risk exposure '	90% of employees reporting "Never" or "Rarely" exposed to risky workplace conditions
Safety equipment	90% of employees reporting "Always" to both provision as well as monitoring the use of PPE
Illness/injury incidence	No case of work-related illness/injury
Disability incidence	No case of work-related disability
Support for RTW	Supports RTW for those suffering disability due to work
Fatal injury incidence	No case of fatal injuries
Working hours	90% of employees working ≤48 hours per week or ≤8 hours per day for six days a week
Work pressure	90% of employees not required to undertake extra works beyond normal work hours
Flexi-timing	90% of employees reporting availability of flexi-timing
Work-life interaction	90% of employees reporting low work-family & family work interaction
Sleeping hours	90% of employees sleeping ≥ 8 h0urs or more per day

Adequate breaks at workplace	90% of employees enjoying breaks ≥60 minutes per 8 hour shift/day
Long-term study	2% of current workers provided with scholarship in the past 5 years
Short-term study	10% of current workers provided with scholarship in the past 5 years
Training	10% of current workers trained in the last one year
Fairness of performance assessment	90% reporting "Agree" to "Totally agree" to all six items
Worker involvement	90% reporting high support for worker involvement C
Adequate pay	100% of employees receives 1.5 times the minimum daily wage of unskilled workers
Pay gap	Less than or equal to 20
Adequate leave	At par or better than civil service [Maternity - 6months; paternity leave - 10 days; Medical leave - 3 months; Bereavement leave - 21 days; casual leave - 10 days]
Pension & Provident Fund scheme	>=11% of basic pay
Insurance	Should have coverage by GIS/ESIC
Fringe benefits	Should have access to one of the four free/subsidised facilities [Housing; Transportation; Meals; Childcare services]
Regulation	Should have written policies to address issues identified
Board effectiveness	At least 30% of the members should be women and at least 40% of members should be independent
Public shareholding	Should have public shares
Whistle blowing channel	Should have whistle blowing channel
Employee turn-over	<=10% per annum
Compliance	Should not have paid any non-compliance fines/penalties in the past 12 months
Customer/client satisfaction	>3.75 (on a scale of 0-5)
Common space	Should have all four common spaces for workers

Culture design	At least one of the major products/services should be related to culture
Cultural property damage	Should not have caused damage to any cultural property/heritage during its initial setup as well as during the course of its operation in the previous year
Cultural participation support	At least 3 days for following cultural festivals: 1. Dangpai Losar, 2. Thrue-baab, 3. Nyinloog, 4. Chuni-pai Losar, 5. Dasain, 6. Bihu Festival, and 7. Durga Puja
Corporate volunteering	2 per capita days per employee in a year
Corporate donation	1% of Revenue
Local business	Should have led to establishment of local independent businesses
Local supplier	Should have sourced supplies from local suppliers
Local employment	At least 80% of its employees should be national/local
Community infrastructure	Should not have caused damage to any community infrastructures during its initial setup as well as during the course of its operation in the previous year
Social venture design	At least one of the major products/services should address social issues
Renewable energy	>50% of energy is sourced from renewable sources
Energy conservation	Should monitor energy consumption and adopt measures to reduce energy consumption
Emission control	Should monitor emission and adopt measures to reduce emission
Solid waste control	Should monitor solid waste generation and adopt measures to reduce solid waste generation
Hazardous waste control	Should monitor hazardous waste generation and adopt measures to reduce hazardous waste generation
Liquid waste control	Should monitor liquid waste generation and adopt measures to reduce liquid waste generation
Eco-design	At least one of the major products/services should address ecological issues

These historic paradigm shifts in guiding and measuring the development practice of the country caught international attention, which provided stimulus for Bhutan to host international conferences on wellbeing and happiness throughout the world at an increasing rate. In 2009, the 3rd OECD World Forum discussed the GNH philosophy of Bhutan and considered policies that focus on happiness instead of economic growth (OECD, 2009, October 27th to 30th). In 2012, Bhutan

initiated and proposed 'happiness' be adopted as the overarching goal of the post-2015 development agenda at the United Nations headquarters in New York. Bhutan invited, presented, and launched the happiness paradigm where 800 distinguished delegates of heads of states, leading scholars, and spiritual leaders, including the United Nations Secretary-General, and the Presidents of the General Assembly were in attendance (Boniwell, 2017), and inspired the United Nations declaration of March 20 as the International Day of Happiness (UNDP, 2019a) .

More than a decade later, questions of review can be asked. Are the Bhutanese people happier today? What is the resonance between a decade of GNH implementation and greater happiness in Bhutan? According to the Bhutan National Human Development Report published by UNDP (2019a) Bhutan's Human Development Index value in 2017 was 0.612, which is an increase by over 20% since 2005. On the happiness index, the 2015 GNH index shows that on a scale of zero to one measurement, the happiness of our people increased from 0.743 in 2010 to 0.756 in 2015, and that translates to 1.8% overall increase in happiness in Bhutan (CBS, 2016). This survey also shows that, 91.2 % of the people reported experiencing happiness; and 43.4% of the people said that they are deeply or extensively happy. In addition, the National Human Development Report (UNDP, 2019a) identified issues such as the short-term politics of the government; political parties creating disharmony and regionalism; and voters and political parties favouring clientelism. Research suggests that political clientelism is more pervasive in young democracies all over the world (Keefer & Vlaicu, 2008). These portraits of unhappiness are striking as they mix and inter-relate the traditional domains of public action of schooling and literacy, rights and services such as water and sanitation, and housing, with deficits in non-traditional domains of the amount of time spent working, voluntary contributions, spirituality, local knowledge and cultural participation (CBS, 2016).

What may be understood from these statistics is that the political economy and the services of the government could be better aligned to address these insufficiencies which are interrelated. The insufficiencies of government performance indicators as illustrated by CBS (2016) is the central *point of ignition* for this thesis.

2.6 Conclusion

The study of happiness traces back to thousands of years. The happiness movement seems to have occurred in intervals overtime. It started between 600BC and 300BC when the Eastern philosophers, such as Buddha and Confucious, and the Western Greek philosophers such as Socrates, Plato, and Aristotle, engaged in happiness and wellbeing discourses. Then the next prominent movement was in the 17th century when Zhabdrung Ngawang Namgyel of Bhutan infused happiness into governance policies, Jesuit missionaries' (1687) translation of Confucius' work on happiness gained importance in the West, utilitarianism developed by Jeremy Bentham

(1789) and his student John Stuart Mill (1863) gained importance. The third prominence is the current wave of Bhutan's GNH and the UN's happiness reporting systems.

The literature review emphasised that happiness and wellbeing are multidimensional in nature as they are influenced by a complex interplay of various factors ranging from psychology, economics, sociology, and societal culture, revealing that they are subjective, context-dependent, and influenced by a host of internal and external variables. The body of research underscores significant correlation between positive implication of happiness and wellbeing both at individual as well as societal levels. Higher levels of happiness and wellbeing have been linked to improved health outcomes, better relationship quality, and increased performance at work, ultimately contributing to harmonious, prosperous and resilient societies.

Since the beginning of the study of happiness and wellbeing, there has been a major shift in its focus. The early philosophers primarily focused on virtue, wisdom, and morality, and discussed an individual's inner attitudes and acceptance of their circumstance, avoidance of greed, and pain as the basis of happy life. In the 17[th,] 18[th,] and 19th century, emphasis then was on actions that maximise pleasure and minimise pain for the greatest number of people, and the focus moved from individual virtue and tranquilly towards collective wellbeing, and the importance of the government to create conducive conditions for people to enhance happiness and wellbeing. The literature calls for a further shift in focus, emphasising the importance of prioritising happiness and wellbeing, through a holistic and multidimensional measure, alongside traditional economic indicators. The GNH measure encompasses a holistic and multidimensional approach to societal development.

Chapter 3: Methodology

3.1 Introduction

This chapter presents the methodological design that guides the structure of this thesis. It also explains the theory and methods structured around the integral worldviews, considering that policies on happiness and wellbeing, sustainability, and government performance under the political economy seek to embrace various worldviews, and the world views are socially constructed. It describes the qualitative method used, recruitment of participants, the interview process, and the thematic analysis to construct the themes. It also explains the ethical consideration and limitation of the study. The methodology was guided by the research questions that enabled the respondents to assist the researcher by offering their perspectives on shortcomings in the ethos of GNH, current popular understandings, and its current implementation, and future prospects.

3.2 Research Design

The methodology is a plan of action that links methods to outcomes that govern researchers' choice for data collection, analysis, and interpretation (Creswell, 2003). Similarly, Wahyuni (2012), proposed that a methodology can be referred to as a "model to research within the context of a particular paradigm" or world view and it "comprises the underlying sets of beliefs that guide a researcher to choose one set of research methods over another" (p.72). According to McGregor and Murnane (2010), "methodology refers to the philosophy and the method refers to technical procedures applied to conduct research" (p.2), so they are related but not the same. Hesse-Biber and Leavy (2006), described a method as a tool or instrument that the researcher utilises to gather data, whereas the methodology is the philosophy behind it. Several papers mentioned that the researcher needs to use the appropriate method to answer the research question.

This study takes an integrated research approach structured around the intent of the study which is to explore Bhutan's development framework of Gross National Happiness (GNH) qualitatively through in-depth interviews. The latest nationwide GNH survey (Centre for Bhutan and GNH Studies (CBS), 2016) showed an intricate and textured picture of the lives of Bhutanese in numbers, by region, by occupation and by demography quantitatively. This study explored the complexities of shortcomings in performances of the government as defined by the survey. It centred on a significantly understudied context as it explores the nature of GNH qualitatively, by investigating the beliefs and experiences of previously understudied participants comprising of experts such as the GNH policy makers, GNH researchers, and GNH policy leadership of various institutions in Bhutan. It examined how political decisions, influenced by notions of political economy, impact the services identified in the survey.

Policy on happiness, from various dimensions of sustainability, economy, political orientation, environmental, and cultural policymaking is shaped by a concept called worldview (Bányai, 2021; Chung et al., 2020; Diriye et al., 2022; Guo et al., 2021). Worldview is a belief

system, a perception of how one sees the world (Irzik & Nola, 2009; Tracy, 2019; Van Egmond & De Vries, 2011; Walker, 2017) . GNH is increasingly recognised globally, and it equates with sustainable development (Allison, 2012; Brooks, 2013; Royal Government of Bhutan, 2008; Royal Government of Bhutan, 2012; Royal Government of Bhutan, 1999; Van Norren, 2020). The world is seeking for nations that can demonstrate sustainability (Lamb, 2016; Nassani et al., 2021; Sarangi, 2019; Sharmin et al., 2021; Steinberger et al., 2012; United Nations, 2015; World Economic Forum, 2017a). Some political economists claim that humanity has been robbed of socially inclusive economic growth and its construction, the most widely professed political economic goal in the world (Sachs et al., 2020; Sachs & Unger, 2021; Unger, 2020). Therefore, institutions must teach how the attitude, the impulse, and the progressive alternative inquiry should set out systemic change, in order to humanise the present order in the world (Martins, 2021; Sachs & Unger, 2021; Unger, 2020). In the "Letter from Economists", economists are writing to the world leaders to rebuild the world (Sachs et al., 2020). Similarly, ideologies, religion, culture, and values play an important part in how societies function (Oxfam, 2014; Raworth, 2017). This thesis adopts constructivism in the political economy of GNH, as a point of departure from classical realist political economy. The study employs social constructivism as the theoretical framework.

3.2.1 Theoretical Framework

Any research entails certain underlying beliefs and philosophical assumptions, as Bourdieu (1988) suggested in his aphorism, that theory without empirical research is empty, and empirical research without theory is blind. This thesis is framed within the theoretical paradigm of social constructivism. Social constructivism seeks to deal with the ontological (assumptions about the reality of truth) and epistemological (ways of knowing). Constructivism attempts to describe the bodies of knowledge that have emerged over human history as "social constructs" which do not reflect an "objective external world" (Given, 2008, p. 118), but are driven by the interaction of values, religious beliefs, ideologies, policies, and language, and ultimately acquire knowledge of the world around them (Rasmussen, 1998). Social constructivism shows that reality is "culturally derived and holistically situated" (Crotty, 1998, p. 67), is relative and subjective (Guba, 1990), and it exists in the form of multiple mental constructions (Crotty, 1998; Guba, 1990; Mackenzie & Knipe, 2006), and assumes that individuals seek understanding of the world in which they live and work (Creswell & Creswell, 2018, p. 24). What occurs in society and its approach to knowledge are based on the understanding of culture and contextual importance (Kim, 2001; McMahon, 1997). Social constructivism understands social phenomena from a context-specific perspective by considering that human learning is constructed, and knowledge is constructed through social interaction. Everything we know is believed to have been driven by the interaction of values, religious beliefs, ideologies, politics, and language (Given, 2008). All in all, it is the difficulties of

'knowing' an 'objective external world' and the ways in which people attempt to make sense of their world is by building an understanding in their own heads, influenced by considerations of values and beliefs. In social constructivist theory, the researcher is part of what is observed. Learning is a social process and occurs when people are engaged in social activities, and together invent the properties of the world as members of the society. In other words, human beings create meaning by interacting with each other and the objects in the environment.

Advocates, admirers, and critics alike treat social constructivism as a normative theory, an ontology, an epistemology, and a methodology (Bell, 2011, 2012; Checkel, 2004; Marsh, 2009) seemingly because it means different things to different authors, and sometimes to the same author even in the pages of a single contribution. However, Hay (2016), argued that social constructivism has its origins in ontological distinctiveness and sees social constructivism as ontologically institutionalist since social constructivists believe that the very existence of day-to-day routine is a product of human thought and volition and that it bears clear traces of social origin and evolution, such as institutional facts and the practices of voting, and that constructivism's ontology of social and political life is profoundly institutional. Hay (2016) also applied social ontology that underpins social constructivism as an approach to political economy analysis in his research noting that constructivism's ontology of social and political life is profoundly institutional. Martins (2021) drew on the idea of a revival of political economy developed at Cambridge and addressed the prospects for a synthesis between productionist and humanistic views. Correspondingly, social constructivist ontology acknowledges our beliefs concerning the nature of being, of reality, and the consequent practices based on this belief.

Such ontological beliefs are cultural, and argue that culture can be both enlightening as well as blinding with its indomitable forces (Crotty, 1998). Bhutan is a largely homogeneous community with regards to its belief systems, which suggests that some significant beliefs with regard to the nature and purpose of being will be widely shared and understood. These beliefs in Bhutan have indeed altered an understanding of Bhutanese political economy when trying to identify the components of the political economy of Bhutan (as set out in Chapter five). For instance, based on the survey data, the obvious distinctive features of Bhutanese are; that the sources of happiness are the success of significant others, not financial income; that the goal of life is not to make money, but to enjoy happiness; and that the five happiest persons in Bhutan have 6-10 years of schooling and are all rural dwelling (Centre for Bhutan and GNH Studies (CBS), 2016). In general, these distinctions can be understood as socially constructed through the unique history and social and religious patterns of belief and behaviour in Bhutan (as set out in Chapter five). Thus, framed within a social constructivist theory, I undertook this research with the understanding that individuals construct their understanding of happiness and wellbeing.

3.2.2 Research Design as Informed by Constructivist Ontology

Qualitative methods are appropriate to uncover salient issues (which may not be revealed by quantitative research) and can provide "knowledge that targets societal issues, questions, or problems that serves mankind" (Tracy, 2019, p. 7). Qualitative interviewing, according to Taylor et al., (2016), is nondirective, unstructured, non-standardised, open ended, flexible, and dynamic. Unstructured, but description-based questions enable informants to talk about topics that are important and have meaning without losing the focus. The nature and scope of the research questions in this study seek to identify the cultural, social, economic, and political influences on the insufficiencies noted in the GNH index. Therefore, this study employs a qualitative inductive approach (Tracy, 2019). In-depth interviews with semi-structured, open ended, descriptive questions were conducted with GNH policy literate respondents, drawn from various institutions, including civil society organisations representing farmers groups and local government functionaries. A total of 28 respondents were included in the study. Methodologically, constructivism entails an inductive approach to process tracing in the form of a political anthropology of institutional change (Trampusch & Palier, 2016) and institutions are what we set apart from the natural world (Hay, 2016).

Qualitative data analysis is an intuitive and inductive process. Researchers keep track of emerging themes and ideas, analyse and code their own data, and develop concepts and propositions to begin to interpret data (Taylor et al., 2016). This thesis utilises open coding followed by focused coding (Taylor et al., 2016), sometimes called primary coding, followed by secondary coding (Tracy, 2019). The coding follows the storyline, themes, typologies, concepts, and propositions as it develops along the analytic thread that unites and integrates the major themes of the thesis generated from the literature review. Table 9 below outlines the design of the methodology.

***Table 9:** Methodology for the study adopted from various sources, as cited within the table.*

Research Methodology	Constructivist Ontology	Research Design
Qualitative (Creswell, 2014, p. 4), and inductive approach (Tracy, 2019)	What occurs in society and its knowledge are based on the understanding of culture and contextual importance (Kim, 2001; McMahon, 1997)	Qualitative Inductive Approach
characteristics of maximum variation samples, and theoretical-construct samples (Tracy, 2019)	For constructivists, "Some people are better placed to do it than the others"	Purposeful Sampling Strategy
Tool	knowledge is co-constructed, unlike in quantitative method.	In-depth, expert, semi-structured interviews

3.3 Method

3.3.1 Phenomenology and the Narrative Inquiry

The tradition of phenomenology, which reflects the structure of a lifeworld within a regional ontology, is the theoretical core of social constructivism (Pfadenhauer, 2018). Meanings ascribed to a phenomena or lived experience are influenced by the historical and the social contexts in which conscious beings reside (Creswell, 2014; Crotty, 1998; Guba, 1990; Pfadenhauer, 2018). Phenomenology is an everyday encounter and a way of life (Vagle, 2014, 2018). Phenomenology emerges from the Aristotelean tradition, which recognises empirical data and rational deduction. Contemporary advocates of happiness and virtues develop phenomenological themes and methodologies in their work (Drummond, 2002). The task of a phenomenological researcher is to see the logic or meaning of an experience by extensive research of a small sample, allowing the subjects to speak and reveal the logic of their experience as lived (Dukes, 1984, p. 197). Narrative method in phenomenology is appropriate for gaining an in-depth understanding of the experiences of individuals via their narratives of the way they acted in various situations, capturing different layers of phenomena (Davidsen, 2013; Dukes, 1984; Lindseth & Norberg, 2004).

Thus, I understand phenomenology as a qualitative narrative methodology that examines the humane experience regarding a certain phenomenon; that recognises that each experience is unique and meaningful and that presents a detailed discussion of the lived experiences of the participants in the study; when the objective is to provide a detailed discussion of the meaningful experiences of participants; and data gathering is done through in-depth interviews; and participants are carefully

selected through purposeful recruitment, and the participants size is relatively of a smaller population (Creswell, 2014; Crotty, 1998; Davidsen, 2013; Drummond, 2002; Dukes, 1984; Guba, 1990; Lindseth & Norberg, 2004; Pfadenhauer, 2018; Vagle, 2014, 2018). Therefore, this study employs a qualitative inductive approach (Tracy, 2019) that uses in-depth semi-structured interviews with the policy experts, policy researchers and policy leadership in Bhutan. The respondents are a previously understudied sample of members of parliament, GNH researchers, policy experts, leadership of various institutions, including civil society organisations representing farmers and local government functionaries. This approach with these respondents explores unique examination into the interpretations and complexities of perceptions of the political economy of GNH, depicting an intricate and textured picture of the lives of Bhutanese. Qualitative research is best suited when the nature of the study is "exploratory, concerning social or human problem"(Creswell, 2014, p. 4); and an inductive approach develops a theory or story out of the meanings that emerges from the field (Tracy, 2019). The use of interviews is a qualitative research method which is considered an efficient tool for seeking in-depth information, and semi-structured interviews are popular in social science and health studies (Turner III, 2010). Semi-structured interviews with open and closed ended questions were used, with prompts, and probes into further suggested questions. This thesis covers interviews with individuals, because I am looking at their lived experiences, and I want to argue that their lived experience has larger political implications for the wellbeing of the state, and the collective efforts. As a result, I am making a transition from individualism of phenomenology to the collectivism of phenomenology.

3.3.2 Recruitment of Participant

This study employs a Purposeful Sampling (PS) technique (Creswell, 2014, p. 194), targeting the characteristics of maximum variation samples, and theoretical-construct samples (Tracy, 2019). Participant identification and selection methods in Purposeful sampling involves identifying key characteristics (Coyne, 1997) or purposefully choosing participants that fit the parameters of the research questions, goals, and purposes (Tracy, 2019). "Purposeful sampling focuses on selecting information-rich cases whose study will illuminate the questions under study" (Patton, 2002, p. 230). First, the institutions and groups who represent the wide variations of the phenomena under study were identified as the primary source of respondents. In this case, the institutions identified were GNH policy makers, GNH policy implementers, leadership of the political institutions, and leadership of various government, non-government, civil society organisations, and private institutions. Second, from within the institutions, participants who met specific theoretical characteristics were identified as potential respondents. In this case, the members of parliaments (as GNH policy makers; the members of parliament were further segregated as National Council members and National Assembly members); Chief Policy Officers from the ministries and institutions (as GNH policy converts and implementers); researchers from various institutions, professors and lecturers, and private

independent researchers (as GNH policy experts); as well as directors of government, civil society organisations, and private institutions (as the GNH policy leaders); and a mix of vocal individuals as (alternative experts views) were also identified. Once the relevant institutions (institutions mandated for policy, research, law making, academic, media) were identified, then the relevant departments/divisions within those institutions were targeted. Using both opportunistic and networks method with little randomisation within this sampling frame (Squire, 2008), officials in those institutions were contacted by email (email addresses were obtained from their institutions webpages). Subsequently, the Participant Information Sheet (PIS), along with the consent forms and a forwarding letter, were sent to the participants. A total of 30 requests for interviews were sent, out of which 28 participants agreed to participate in the interview. Out of the two who did not participate in the interviews, one did not respond at all given his extremely busy schedule. One responded but was not available due to other commitments. Altogether, this study features six broad expert groups of participants. The details of the participants are outlined in the following tables below:

Table 10: Participants by gender and qualification.

Participants by gender		Participants by Qualification	
Male	Female	Master's Qualification	PhD Qualification
20	8	21	7

Table 11: Participants by occupation group Participants by occupation group

Expert Group 1: GNH Policy Makers (Members of Parliament)	National Council	National Assembly
	3	3
Expert Group 2: GNH Policy Implementers (Chief Policy Officers)	Ministries	Government Agencies
	1	2
Expert Group 3: GNH Researchers (Academics and Researchers)	University Lecturers	Independent Researchers
	2	2
Expert Group 4: GNH Leadership (Directors of government, non-government, and private institutions	Directors of relevant government institutions	Directors of non-government and private institutions
	4	3
Expert Group 5: GNH Political Leadership (Presidents of political parties)	Presidents currently in parliament	Presidents currently outside of parliament
	2	2
Expert Group 6: Alternative Experts	Individuals who are vocal in the public domain	
	4	

Out of 28 expert participants, 21 were happy to be identified. Accordingly, 21 participants were identified with their title and first names. It is the Bhutanese custom to call people by their first name. The other seven participants who did not want to be identified were assigned codes. Table 12 provides an overview of the participants.

Participant Description	Expert group description	21 Identified Participants	Seven de-identified participants
Six Hon'ble Members of parliament	Hon'ble Members of Parliament are classified as Policy Makers (as per their job description)	Hon'ble Nima; Hon'ble Tashi; Hon'ble Dawa; Hon'ble Karma	PM1; PM5
Three Chief Policy Officers	The Chief Policy Officers are classified as Policy Implementers (as per their job description	Aum Tandin	PI1; PI2
Four Researchers	The researchers and academics are classified as Researcher (as per their job description)	Dr. Lhawang; Dr. Tshering; Dr. Kinga; Dr. Karma	
Seven Directors of government; non-government and private institutions	The Directors are classified as Policy Leaders (as per their job description)	Aum Kunzang; Tharchen; Gopilal; Dr. Phuntsho	PolicyL1; PolicyL2; PolicyL4
Four Presidents of the political parties	The Presidents of political parties are classed as Political Leaders (as per their job description)	His Excellency Dorji; Dasho Neten; Aum Lily; Dasho Kinga	
Four Alternative Expert Views	These are the participants who are vocal in the Bhutanese public forums. They are classified as Alternative Expert Views	Hon'ble Passang; Sangay; Dr. Sonam; Dechen	

3.3.3 Inclusion and Exclusion Criteria

The six Members of Parliament were identified from National Council members and National Assembly members. Three from each group were identified based on their engagement in Good Governance, Cultural and Social Affairs, and Economic Affairs committees. Within the National Council members, the selection was further separated among the Eminent Members and Elected Members. Within the National Assembly, the selection was further divided among the members of the ruling party and the opposition party. Three expert participants among the Chief Policy Officers were prioritised on relevant agencies such as Economic Affairs, Local Government, and the Government Performance. Four researchers were further divided into Researchers currently in

Bhutan, and Researchers working in academic institutions abroad. Seven Directors were identified among the government, non-government and private sectors such as Chief Editors of media houses in Bhutan. Four Presidents of political parties were identified from political parties currently in parliament and outside parliament. Four Alternative Experts were identified based on their constant engagement in discourses in the public domain. They have research and academic backgrounds, former Members of parliament, and former Presidents of Youth Initiative programmes. Gender balance was considered across all the expert groups. The inclusion and exclusion criteria are outlined in Table 13 below.

Table 13: *Inclusion and exclusion criteria while recruiting participants.*

Sub-Group	Criteria: Inclusion and Exclusion
National Council	First by relevance as per their engagement in Good Governance, Cultural and Social, and Economic Affairs committees; second by gender; third Eminent Members and Elected Members
National Assembly	First by relevance as per their engagement in the committees; second by gender balance; third by members from the ruling and Opposition party.
Policy	First by relevant agencies such as Local Government, Government Performance, and Economic affairs. Second by gender balance; third at Chief level
Researchers	First with PhD qualification, second actively engaged in research, split into university and private independent researchers; third gender; fourth split into currently working in Bhutan, and currently working abroad
Directors	First by relevant departments, split into government, non-government, and private institutions engaged in (Employment, Youth, Local Government, Economy, Cabinet, Farmers, Media). Second by gender.
Presidents of political parties	First identified the Presidents of political parties, then split into those currently in parliament and those outside the parliament. Second by gender.
Alternative Experts	Those who are actively engaged in GNH and development policies in the public domain such as TVs, newspapers and social media.

3.3.4 Data Collection

Data was collected online through web video interviews and other video calls with all 28 participants. Since all the participants were experts, educated in English, and had a minimum of a master's degree, the interviews were held in English. English and Dzongkha (Bhutan's national language) are the two official languages of Bhutan and are both medium of instruction in schools and offices in Bhutan. Each interview had 9 to 11 questions, depending on the respondents' responses, and lasted between 45 minutes to 1.5 hours. The interview questions explored the challenges in government performance in the political economy of GNH; practical and policy challenges and barriers in achieving sustainable happiness and wellbeing in Bhutan; national narratives and traditional practices in enhancing GNH initiatives; and the impact of short-term politics and clientelism in government performance. The interviews, with prior permission from the participants, were audio recorded on both Zoom and a digital recorder. The interview took a little over two months, which started on 2nd April and finished on 13th June 2021. The interview protocol generally followed the following steps:

1. Greetings in Bhutanese
2. Building rapport (Spradley, 2016): introduction, and catch-up narratives;
3. Seeking and gathering consent. The consent forms were signed and sent back by email.
4. Explained the rationale and significance of the study, the methodology, and the methods.
5. Audio recordings started on Zoom, a digital recorder and on mobile phone (as backup) as the interview started. The interview began with a warm-up question.
6. Nine to eleven questions were asked in a semi-structured format.
7. After each interview, the recording was transferred to the PC with a password protected folder.

It should be noted that participants' responses may not necessarily be representative of their institution's view, but instead reflect their own understanding, beliefs, and concerns as public figures.

3.3.5 Transcription

Transcription is the process of transference of spoken language or conversion of recorded audio materials to the written word with a set of rules that can be analysed (Academic Consulting, 2021; McMullin, 2021; Mero-Jaffe, 2011). Transcriptions are usually verbatim (Academic Consulting, 2021). Since only written language can be sorted, copied, examined, evaluated and quoted, transformation from audio to written language is necessary for the management and organisation of data (Lapadat, 2000), making transcription the first step in analysing data (Bailey, 2008; cited in Mero-Jaffe, 2011). There are two main methods of transcription: naturalised and denaturalised transcription. Naturalised transcription focuses on details of the interview such as breaks in speech, laughter, gestures, body language, and involuntary sounds, whereas the denaturalised transcription

accurately describes the discourse but removes the involuntary sounds (Davidson, 2009; cited in Mero-Jaffe, 2011). While these are terms commonly used in research literature, transcription companies use the term complete verbatim (capturing everything), intelligent verbatim (omitting the involuntary sounds), and edited verbatim (cleaning up the text and the grammar) (Academic Consulting, 2021). Each method has its own advantages and disadvantages. While Forbat and Henderson (2005) argued that naturalised methods are more reliable, Oliver et al.,(2005) favoured a combination of both. Although the transcription process is central in qualitative research and is a critical element in data analysis, there is no clear method, process, or framework for transcription.

All 28 audio recorded interviews were transcribed by the researcher. The transcriptions when done by the researchers themselves enhances accuracy of the transcripts, enables the researcher to immerse in the data, and adds rigour in the analysis stage (Academic Consulting, 2021; McMullin, 2021; Mero-Jaffe, 2011) which is less likely when the transcription is not done by a researcher, and rather involves a third party such as an assistant or a transcriber. The transcription for this study used a combination of naturalised and denaturalised transcription. As determined by the methodology of expert interviews, the transcription followed the exact words and expressions of the participants. However, involuntary sounds and involuntary pauses were omitted as the researcher felt that these involuntary sounds and pauses do not change the meanings of what the participants intended. The actual names of the participants were kept throughout the transcription process as this enabled me to know the participants quite well and remember their stories much better. The participants who did not want to be identified in the study were de-identified at the analysis stage as determined by the AUT ethics approval. For consistency in the formatting of the transcripts, the speakers (interviewer and the interviewees) were set at heading two style of formatting in separate paragraphs. The transcripts were sent back to the participants to review and approve. All 28 transcripts were returned with minor editions.

3.3.6 Data Analysis

The interview questions in this study explore rich details, and unique insights into shared experiences and social norms. They also enabled the researcher to identify patterns, such as the characteristics of cultural, social, and economic processes (Tracy, 2019), through in-depth interviews. Unique identifiers or codes were attached to each participant to enable the researcher to locate the data should there be an error or if some participants requested to withdraw. While many participants wished to be identified in the study, a few others did not want to be identified. Codes were assigned to the seven expert participants who did not want to be identified. (see Table 13 above).

Qualitative content analysis (QCA) was used to derive the final product of data analysis (Vaismoradi & Snelgrove, 2019). This thesis employed data-driven inductive content analysis,

which involves developing codes and themes as they emerge from the data. This process required me to group and condense codes into categories based on my careful examination, interpretation and inferences that emerged from the data (Creswell, 2014; Tracy, 2019).

A coding framework, also called an analysis framework, which consists of a list of all of the codes with a description of each one was developed. This thesis employs the purely inductive method, which is wholly working from the participant experiences. Within the inductive method, open/primary coding, which is to examine and describe the initial data, followed by focused/secondary coding, which is to critically examine the codes from the open/primary codes, was applied to interpret the concept (Taylor et al., 2016). NVivo R1, the latest version of NVivo (2020), a widely used computer aided qualitative data analysis software (CAQDAS) was used. The following data analysis processes was adopted, as detailed in Table 14 below:

Table 14: Data analysis outline. Adopted from (Vaismoradi & Snelgrove, 2019; Tracy, 2020).

Stage 1	Data Immersion: Full transcription of the interview	Breadth and depth of the data reading
Stage 2	Code, categorise and theme the data (Primary Coding): keep close to the text, adopt terminology of the interviewee (Bogner et al., 2009)	Symbolically assign a summative, salient, essence-capturing (summarise segments of data)
Stage 3	Pattern Coding: Organise, synthesise, and categorise them into interpretive concepts (Secondary -cycle coding) (Miles et al., 2014)	First level codes coupled with interpretive and theoretical knowledge to generate second level codes
Stage 4	Transition from analysis to writing	

3.3.6.1 Thematic Analysis

Thematic analysis is a method of data analysis which according to Braun and Clarke (2006), is a method for systematically identifying, analysing, and reporting patterns (themes) within the data (p. 67). It begins with engaging in an open coding of the data and categorisation into themes, which are ideas that are common across multiple participants, where data is interpreted and connected to the broader research questions (Attire-Stirling, 2001; Braun & Clarke, 2006). All qualitative data analysis approaches make use of coding and theme generating techniques, however the intent and approach of each analysis method differs quite substantially (Braun & Clarke, 2006; Saldana, 2013). This study adopts the six phases of thematic analysis proposed by Braun and Clarke (2006, 2022), as follows:

1. Phase 1: Familiarising with the data: In this phase I immersed myself in the data by reading and re-reading the transcripts of the interviews. While reading, I made notes and highlighted potential words, sentences, and paragraphs. At this stage, it was important to keep in mind, to read the words actively, analytically, and critically, and to remember that my notes were only observational and casual, rather than systematic and inclusive.

2. Phase 2: Generating initial codes: Codes are the building blocks of analysis and are the features of the data that answers the research question. My process was to identify an extract of data to code, and codes are succinct short phrases. I also included code definitions in this phase.

3. Phase 3: Generating initial themes: A theme "captures something important about the data in relation to the research question and represents some level of patterned response or meaning within the data set" (Braun & Clarke, 2006, p. 82). The rule of thumb about themes is that they should be generated and constructed rather than discovered. The next step involved collapsing or clustering codes, which was followed by drawing a thematic map. I reiewed the code book, generated coding reports, and moved codes into initial hierarchies of candidate themes.

4. Phase 4: Developing and reviewing themes: This phase is about quality checking which involves a recursive process of reviewing the developing themes in relation to the coded data and the entire dataset. At this point, I asked questions such as: is this theme telling of my data set and my research question? What are its boundries in relation to what it includes or excludes? Is the theme thin or thick? and is the theme coherent?

5. Phase 5: Refining, defining, and naming themes: Themes must be clear, focussed, and have a purpose. Themes must also be singular in focus and therefore are not repetitive, and they must address the research question directly. At this stage, I performed a detailed analysis of each theme.

6. Phase 6: Producing the report/writing up: Qualitative research combines the results and discussion sections by incorporating the discussion of the literature into the analysis, so that writing and analysis are thoroughly interwoven. In the final written account, themes should connect logically and meaningfully to tell a coherent story about the data by building on the previous themes.

3.3.6.2 Coding Framework

A code in qualitative inquiry is most often a word or a short phrase that symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based or visual data (Saldana, 2013, p. 3). In the first cycle coding, a code could take the form of anything between a word to an entire page of text. In second cycle coding, it could be the exact same units, longer passages of text, or analytical memos about the data. A code is therefore a critical link

between data and their meanings. Coding is analysis (Miles & Huberman, 1994, p. 56). Coding is a crucial component of analysis (Basit, 2003, p. 145). Coding is not just labeling, but linking (Richards & Morse, 2007, 2013).

What amount of data to be coded seems moot. Some have suggested that every recorded interview is worthy of consideration (Friese, 2019; Lofland et al., 2006; Strauss, 1987; Wolcott, 1999), whereas others have suggested that only the most salient portions of the transcripts related to the research questions need to be coded for examination (Guest et al., 2012; Morse, 2007; Seidman, 2006). Inaddition, Auerbach and Silverstein (2003) and Sullivan (2012) suggested coding only what appertains to the relevant text. Further, Saldana (2013) suggested that there may be portions of the transcripts that re not applicable. There are also debates about lumping and splitting of codes. While lumping may lead to a superficial analysis, splitting may overwhelm the analyst, therefore, it is important to consider the research concerns, theoretical frameworks, central research questions, and goals of the study while coding (Saldana, 2013). Friese (2019) recomended between 120 – 300 codes in a qualitative research (p.73), while Lichtman (2023) recomended about 80-100 codes, condensed into 15-20 categories that would syntesise into five to seven themes (p.194), and Creswell (2014) suggested qualitative research should generate 25-30 categories that then combine into five to six major themes (p.184).

The next question is which coding method is appropriate? It depends as each qualitative study is unique, as the analytical approach will differ and there is no best way to code qualitative data. Saldana (2013) noted that the researcher may develop new or hybrid coding methods customised to suit their unique needs to yield substantial analysis. Research on discourse analysis often relies on detailed transcription notation and extensive analytic memos and may not code at all (Gee, 2010). Some research relies on phenomenological interpretations of the themes in the meanings of text (Van Manen, 1990; Wertz et al., 2011). Some rely on narrative inquiry (Hendry, 2007; Lawrence-Lightfoot & Davis, 1997; as cited in Saldana, 2013), and some believe coding is purposeless altogether. However, what determines which coding method is most suitable depends on the nature of the central question and the answers one seeks. Ontological and epistemological questions which explore the nature of participants and theories of knowing and understanding the phenomenon may employ in vivo, focused and pattern coding and theming the data (Saldana, 2013). However, since this study employed experts, it was deemed suitable to employ in vivo (Bogner et al., 2009). In vivo coding was used for the first cycle coding and focussed coding for the second cycle coding. In vivo coding uses participants' language, perspectives, and worldviews as codes rather than researcher-generated words and phrases. In vivo coding is thus verbatim, literal, inductive, indigenous, and emic coding (Charmaz, 2006; Corbin & Strauss, 1998, 2008; Glaser,

1978; Strauss, 1987). According to Strauss (1987), in vivo means "in that which is alive" (p. 33) and refers to a word or short phrases of the terms used by the participants.

3.3.6.3 Interviewing Experts

Interviewing experts is a popular, efficient, legitimate, and concentrated method in social research where experts are seen as "crystallisation points" (Bogner et al., 2009, p. 2) for practical insider expertise who are interviewed as surrogates for a wider population. Research into the knowledge of experts who hold key positions in institutions has gained professionalism and quality, thereby increasing the validity of knowledge generation. The validity of expert knowledge "as agents of truth" is also a characteristic of social constructivism which posits that knowledge is deciphered as a social activity (Colin and Evans, 2002; as cited in Bogner et al., 2009. p. 2). This leads us to the question of what constitutes experts? Who is an expert? and what is the definition of experts? Experts are informants who "possess an institutional authority to construct reality" (Hitzler et al., 1994; as cited in Meuser & Nagel, 2009, p.19). Moreover, experts' knowledge is influential in structuring the conditions of action for other people (Bogner & Menz, 2002; as cited in Meuser & Nagel, 2009). In this study, the key officials working in key institutions with several years of working experiences in policies on economy, politics, and Bhutan's development framework of Gross National Happiness were identified as key informants because they have privileged access to Bhutanese polity and therefore can be considered experts in this field.

I adopted semi-structured open-ended questions drawing on the expert interview methodology. According to Meuser and Nagel (2009), experts are expected to reveal knowledge and experiences of decision making and state principles that are related to their positions and functions, which led them to suggest the use of an open interview for data collection. To allow the experts to cite examples, and unfold their outlooks and reflections, the interview should be based on general topics and avoid closed questions and a prefixed guideline. I also prepared the interview questions thoroughly and used them as prompts to demonstrate my thematic competence to the interviewees, which is important as the "readiness of the interviewees to share their viewpoints and knowledge" is decisively influenced by the competency the interviewer exhibits (Trinczek, 1995; as cited in Meuser and Nagel, 2009).

Meuser and Nagel (2009) suggested that the analysis of expert interviews should focus on thematic units to access the meaning and significance of the experts' statements. In keeping with this methodology, this study has transcribed the thematically relevant passages for analysis, which is itself a form of coding or sifting of the raw interview. The in vivo coding framework was adopted, which involves staying close to the text and adopting the terminology of the interviewees (Bogner et al., 2009; Meuser & Nagel, 2009). The point of 'expert' and 'in-depth' interviews is to generate narrative data that provide rich accounts of a specialised field, whereas 'coding' tends to

treat qualitative data as a de-contextualised 'bank of items'. However, the expert interview is widely used in the framework of a triangulation of methods. Therefore, this study adopts the expert interview methodology within the larger theoretical framework of social constructivism, and inductive thematic analysis of Braun & Clarke (2006).

3.4 Ethical Consideration

This study has been approved by the Auckland University of Technology Ethics Committee (AUTEC), vide approval No: '20/291 An inquiry into the political economy of Gross National Happiness: An integrated policy response for sustainable happiness and wellbeing through enhanced government performance,' dated 12th October 2020. The ethics approval covers the protocol for recruitment of human participants among other standard requirements. Approval was sought to collect data through 'in-depth' 'expert' face-to-face interviews with the participants scheduled between December 2020 to May 2021. However, due to COVID19 travel restrictions, the researcher could not travel to Bhutan at that time. Therefore, the mode of interview had to be changed to online. For that, an amendment AUTEC EA2 was submitted and was approved on 16th March 2021. Accordingly, the Participant Information Sheet (PIS), Consent Form, and a letter requesting for an interview were sent to the participants through their emails. The letter and the PIS outlined the purpose and intent of the study and explained that interviews would be conducted online. It also explained that the modalities such as the time, place, and the language of interview would be as per the convenience of the participant. As such, some interviews were held via Zoom, while others were held via Facebook video calls. Some participants chose to attend the interview from their office, while others chose to do it from their homes, especially when it was a weekend. Some participants used PCs, while some used their mobile phones. Most participants signed the consent form and sent it back prior to the agreed interview date, some participants signed it on a paper stating their consent and sent it back.

For Bhutan and the Bhutanese citizens, it is becoming increasingly clear that it is in every Bhutanese's interest to pursue and contribute to GNH as a moral concept, individual practice, global influence, and as the secularisation of Buddhist concepts (Verma, 2019; Verma & Ura, 2018). In addition, the Centre for Bhutan & GNH Studies (2016) stated clearly that:

> policy makers, private sector leaders, local and national government actors, civil society organisations and others are encouraged to dig into and enjoy the deep seams of insight from the GNH survey. May they find from the 2015 GNH survey, information that can be harnessed to advance GNH with imagination and creativity from their own situation' (p.10).

Drawing from this acceptance, the consent form had an option for the participants 'would you like to be identified in the study'. A majority of the participants were very happy to be identified, while a very few did not want to be identified. As a standard practice, participants who did not want to be

identified were assigned identifier codes, and those who were happy to be identified were identified with their title and first name, as it is customary in Bhutan to use first names. All information surrounding the participants details, consent forms, audio recorder interviews, and transcripts were securely locked in the researcher's dedicated PC with protected passwords, and all data will be destroyed after six years (AUTEC, 2020). The transcripts were sent to the participants requesting them to approve as per the AUTEC requirement. Further, sending the transcripts to the participants to validate actually empowers them. The participants of this study are senior level officials in government, non-government and private institutions. Therefore, the issue of communication, language, technological equipment, and internet connectivity did not arise, except in one instance when there was an earthquake in Bhutan while an interview was happening. The interview had to be cut and reconnected.

There are challenges of online interviews of qualitative research such as the technological issues causing poor connectivity glitches and poor recording quality with sound breaks, security of the platform leading to confidentiality issues, logistic needs of the equipment that may cause participants' hesitancy, and limited personal contact which deprives researcher of the means to understand the body language, expressions, emotions, and the participants' environment (Adams-Hutcheson & Longhurst, 2017; Dodds & Hess, 2021; Lobe et al., 2020). These authors have explained in detail the challenges of online interviews and collective qualitative data especially during the COVID19 pandemic, and in an era of social distancing. In addition, transcription is not simply a technical process and researchers find it difficult to attain through transcription the qualities afforded by the oral discourse of the interview such as intonation, emphasis, voice volume, change in voice patterns, and body language (Tilley & Powick, 2002). One of the participants of this study admitted that transcripts lack certain attributes which are characteristic of oral language production and miss the essence when the oral production is in real time (Expert participant Dr. Kinga).

Chapter 4: Historical and Philosophical Influence of Happiness: The Great Fourth King and the Beginning of GNH in Bhutan.

Dear son, listen to me once again, "In the hidden lowland of the southern country, where three valleys merge in a beautiful place called Womtrong; [Old name for Dechencholing Palace where His Majesty the Fourth King was born] In that sacred place, in the Female Wood Sheep year [Year 1955] A boy of unsurpassed character will be born. He will ascend the Golden Throne at the age of 20 and take his country to the greatest heights of success unopposed. The sentient beings in that land will enjoy unprecedented peace and prosperity [Guru Padmasambhava's prophecy of the birth of Great Fourth King] (Pommaret, 2015)

4.1 Introduction

Earlier in Chapter Two, literature on happiness and wellbeing were presented in terms of defining happiness and wellbeing, and efforts made by various philosophers, researchers, governments, and various national, regional and international institutions to measure happiness and wellbeing. This chapter briefly discusses how happiness and wellbeing is entrenched in Bhutan's historical and philosophical roots. The advent of Buddhism and its influence on governance, which inturn influences the Bhutanese worldview of happiness and wellbeing. The chapter also narrates how the Boddhisatva King, the Great Fourth King of Bhutan, implemented ideas of happiness and wellbeing in his governance, and ultimately conceived the idea of Gross National Happiness.

4.2 Historical and Philosophical Influences on Happiness in Bhutan

Bhutan is a Buddhist country, and the Bhutanese society is largely influenced by Buddhist values (Ura et al., 2012). Buddha's teaching revolves around happiness, wellbeing, positive attitude, interdependence, equality, selflessness, oneness, empathy, material wellbeing, conservation and protection of animals, corruption, social support, judiciary, efficiency, and gender equality (Dhammavaro, 2007), and these are most of the tenets of GNH. After Buddha, there were several scholars, such as Arya Maitreya, Nāgārjuna, Śāntideva, Candrakīrti, Aryadeva, and Patrul Rimpochey who came in different periods and emphasised the different ideas that we find in GNH. For instance, in Uttratantra Shastra, Maitreya stated that "the perfect buddhakaya is all-embracing, and all beings have the disposition". Buddhism in Bhutan dates back to the 8th Century, when Guru Rimpochey [The Second Buddha] visited Bhutan upon the invitation of Sindharaza [a ruler in central Bhutan]. Sindharaza received teachings about framing governance and politics according to Buddhist thought from Guru Rimpochey, who first visited Bhutan (784AD) before he was invited to Tibet (Centre for Bhutan and GNH Studies (CBS), 2016). Several hundred years later in 1616, Zhabdrung arrived in Bhutan from Tibet and held both spiritual and political leadership. He constructed Dzongs [Fortresses] and both the religious and political affairs of the country were run from the Dzongs. His philosophical and political thoughts and intentions were mentioned in the legal code of Bhutan of 1729, which is akin to a short constitution of medieval Bhutan. There is a

passage in the legal code that says unequivocally that if the government cannot create happiness and peace for its people, then there is no purpose for government to exist (Centre for Bhutan and GNH Studies (CBS), 2016; Ugyel et al., 2023; Ura et al., 2012). The key passage in the legal code of 1729 suggests that the resources of the state should be designed to promote wellbeing and happiness, and that the main mechanism for sustaining the happiness of the people in medieval Bhutan was to maintain a Buddhist outlook on life (Legal Code of Bhutan, 1729, as cited in CBS, 2016). Since the medieval period, the main mechanism for sustaining the happiness of the people of Bhutan was to maintain a Buddhist outlook on life. Even today, the Constitution of the Kingdom of Bhutan postulates that Buddhism is the spiritual heritage of Bhutan, and therefore, it must promote the principles and values of peace, non-violence, compassion and tolerance (Centre for Bhutan and GNH Studies (CBS), 2016; Ura et al., 2012).

The purpose of the medieval government of Bhutan was to promote happiness and wellbeing. This is evident from the writings of the founder of Bhutan, the precious Zhabdrung and his heirs, who placed spirituality at the heart of government and politics. This enforces the central objective of this thesis: that the idea of a government that practices spirituality is to pursue happiness and wellbeing of the people. A Buddhist perspective of spirituality requires a consideration of the wellbeing of sentient beings, in other words, it requires compassion. Spirituality does not necessarily mean following a particular school of religion as a whole. The legal code of Bhutan (1729) explained that in the context of Buddhism and any of its schools, the indispensable core of spirituality is cultivation and manifestation of compassion. By this definition, spirituality can be defined as compassion, an attitude that takes into consideration the wellbeing of sentient beings, which includes, of course, other people. Understood in this general way, a convergence between politics and spirituality cannot be controversial if this understanding of spirituality is at the heart of governance (Centre for Bhutan and GNH Studies (CBS), 2016).

The model that integrates spirituality and governance is still relevant in the Kingdom of Bhutan. The national flag of Bhutan has three notable elements. The yellow half signifies the civil tradition, and the orange half signifies the monastic tradition. Another element is the white dragon that spreads equally over the borderline and signifies the name of the Kingdom of Bhutan. Finally, the color of the dragon signifies purity in the governance of people towards peace and prosperity (Penjore & Kinga, 2002). The poetry of the national anthem of Bhutan is another living example of integration of spirituality, politics, and governance of the leadership of the King, the glorious monastic and civil traditions. "May the teachings of the Enlightened One flourish / May the sun of peace and happiness shine over all people" (Penjore & Kinga, 2004. p.17).

In the Constitution of the Kingdom of Bhutan, promulgated in 2008, the concepts of rights and freedoms sit side by side with compassion and spirituality. It postulated: "Buddhism is the

spiritual heritage of Bhutan, which promotes the principles and values of peace, nonviolence, compassion and tolerance." It further enjoined: "The State shall strive to create conditions that will enable the true and sustainable development of a good and compassionate society rooted in Buddhist ethos and universal human values." (NAB, 2008, p.20). According to Drechsler (2019, p.538), GNH is the best known and most discussed version of a real existing Buddhist Economy. One of the participants in this study said the following:

> As Buddhist monk, I can say that GNH is fundamentally related to the Buddhist idea of interdependence concepts of happiness, wellbeing, positive attitude, equality, selflessness, oneness, empathy and so on. Now as an academic and a researcher, GNH has influenced my profession. For instance, in my last six years of developing new curriculum and courses at the university has to be in line with the GNH idea. Therefore, GNH for me has influenced me personally and my profession (Expert participant Dr. Tshering).

4.3 The Great Fourth King and the Beginning of GNH

The extraordinary nature and deeds of His Majesty the Great Fourth King of Bhutan, who pronounced the concept of Gross National Happiness, is well documented in several books and articles. He is referred to as the Bodhisattva King [Dharmaraja] (Tashi & Mathou, 2015), the Cakravartin King [the one who turns the wheel of dharma and rules benevolently] (Pommaret, 2015), and the King of Prophecy (Ura, 2010). In the 1970s, when His Majesty the Great Fourth became the King of Bhutan, he began to repeat certain public pronouncements about happiness and wellbeing, using the Dzongkha phrase *Ga-tog-tog* [mental aspect of well-being] and *ki-tog-tog* [physical aspect of wellbeing]. These words are repeated in all official documents and speeches of His Majesty. By 1979, He was speaking about GNH not only to Bhutanese but also to international journalists (CBS, 2016).

Bhutan's development plans started in the 1960s, and since then, international organisations and development partners poured in ideas and concepts of change and development. His Majesty (then the Crown Prince) was appointed Chairman of the Planning Commission of Bhutan in 1971, by His Majesty the Third King. It is evident from the Five-Year Plan documents that His Majesty, as the Chairperson of the Planning Commission of Bhutan, has championed development with values. The First Five Year Plan (1961 -1966) under his leadership accorded the fifth highest budget for the preservation of forests; The Second Five Year Plan (1967 -1971) featured a separate target for the preservation of ancient monuments. Five Year Plan documents after 1971 have specifically mentioned preservation of the environment, preservation of culture and traditions, and happiness of the people. Nishimizu (2008) studied the 51 Royal decrees (on national significance and public policy) issued by His Majesty the Fourth King, during his reign as the King of Bhutan (1972 to 2006). He described His Majesty's leadership as ahead of his time, and exceptionally foresighted, as

a golden thread that runs through His Majesty's decrees (p. 2). Citing His Majesty's Royal Decree in the 1980s about the erosion of cultural diversity under the influence of globalisation, Nishimizu (2008) claimed that His Majesty is the world's first critic of globalisation. The decree issued to the Planning Commission in 1986 addressed fundamental principles that frame the Sixth Five Year Plan. Thus, His Majesty instructed the Commission that the basis for the evaluation of the achievements of the sixth plan was to see whether the people enjoy happiness and comfort (Ura, 2010). It is through these development planning frameworks, constantly nurtured by His Majesty, that Bhutan blended the external and internal viewpoints of policy and planning processes into the Bhutanese development philosophy of GNH. That framework, when it did come out, took the form of GNH as a policy principle or as the underlying principle for policy overriding purpose.

As a Buddhist nation, Bhutan also attributes a higher purpose to development than just economic growth by recognising the interdependence of all life, in other words, the interaction and responsibility of human interactions and the environment. In this context, the purpose of development is based on the hypothesis that Gross National Happiness is more important than the Gross Domestic Product. The Royal Decrees issued by the Fourth and the Fifth Kings of Bhutan, and the characteristics of the Five-Year Plans since 1960s, unequivocally guides the tenets of GNH, function as another *point of ignition* for this study. In the interviews, the expert participants during the interview process unequivocally expressed their reverence, respect, love and devotion for His Majesty. The expert participants cautioned that GNH is pursued by the Fourth King and continued by the Fifth King.

4.4 Conclusion

The historical and philosophical underpinnings of Bhutan's happiness and wellbeing centric approach are deeply embedded in Buddhist values that prioritise compassion, interconnectedness, and inner contentment. These values are exemplified by the visionary leadership of the Great Fourth King, who drew influence and inspiration from Bhutan's deep -rooted cultural and spiritual heritage and played a crucial role in shaping the unique development approach of GNH. This holistic approach of GNH reflects Bhutan's commitment to nurturing the wellbeing of its citizens, promoting social harmony, and safeguarding the nations' rich cultural heritage. Books and articles on His Majesty's the Great Fourth King's extraordinary accomplishments revolves around happiness, wellbeing, positive attitude, interdependence, equality, selflessness, oneness, empathy, conservations of the environment and culture, protection of animals, social support, judiciary, efficiency, globalisation, and gender equality, among others. During the interviews, the expert participants expressed deep devotion and respect to His Majesty the Great Fourth King by their folding hands and evoking emotions of love and respect. So, it is certainly so close and so aligned, that I can almost infer that GNH is based on Buddhist principles. The Great Fourth King took the Buddhist principles and then formulated GNH.

Chapter 5: Political Economy

The Bhutanese people actually go through intense reluctance to use pesticides, to even plough the field when there are so many worms, and they will be so apologetic and regretful of carrying out these agricultural works which kills lots of sentient beings. On holidays, as you know, most Buddhists don't even do agricultural work. In terms of business transactions, how much we talk about *Thadamtse and Layjumdrey* [ethical and moral values] of that moral integrity we should have to not cheat people, to not charge or make immoral profit. So our economic system has been influenced by these Buddhist principles definitely. (Expert Participant Dr. Karma)

5.1 Introduction to key literature

This chapter builds on several central bodies of literature on political economy. First, it introduces the history of political economy, and the inter-relationship between economy and politics. It dwells on the current methodology of how states and institutions are increasingly defining new paths for political economy. It examines the theoretical framing of political economy and identifies the current global practices in political economy towards happiness and wellbeing. It also establishes the political economy of Gross National Happiness.

5.2 Overview of Political Economy

When the concept of political economy emerged in the eighteenth century, it referred to the management of the economic affairs of the state to meet the wants of the citizens through production and distribution of goods (Caporaso & Levine, 1992; Mill, 1884; Smith, 1799). Since then, several philosophers and thinkers envisaged ideologies and doctrines on political economy with different meanings. Adam Smith in his classical political economy, defined laws of the market, skill of the labour, and envisioned competitive market equilibrium in *Inquiry into the Nature and Causes of the Wealth of Nations* (1776). For Smith, political economy is the science of managing the resources of a nation and providing wealth to its people. David Ricardo, in *Principles of Political Economy and Taxation* (1817) argued that governments should not intervene in the economy and advocated that the accumulation of capital was the basis for economic expansion. Thomas R. Malthus in *Principles of Political Economy* (1820) introduced the theory of population to political economy, indicating the role of governments in policy intervention (Henderson, 1992). Following a different line of thought, Karl Marx in *The Poverty of Philosophy* (1847) critiqued classical liberal economics and worked out explanations of class struggle and societal issues (Drechsler, 2019). For Marx, it was how the ownership of the means of production influenced historical processes (Weingast & Wittman, 2009). Unlike Smith, Ricardo, and Marx, Jeremy Bentham in his *Introduction to the Principles and Morals and Legislation* (1789) argued that individuals and public interest should coincide, where governments act for the larger interest of the individuals and individuals' freedom are within the moral and legal framework. Like Bentham, John Stuart Mill in his *Principles of Political Economy* (1848)

manifested Socialist leanings (owing something to Karl Marx) with his emphasis on the human element in his answers to the unsettled questions of political economy.

Following this discourse on the methodology of political economy emphasising individual rationality, the study of inter-relationship between economics and politics emerged in the 20th century. Weingast and Wittman (2009) in the *Oxford Handbook of Political Economy*, defined political economy as "the methodology of economies applied to the analysis of political behaviour and institutions" (p.1). That the economy is highly political and much of politics is about economy, that economy is unavoidably political, and critical attention to political economy is vital to constructively address and manage the economic affairs of the state (Aghion et al., 2004; Chilcote, 2018; Frieden, 2020; Weingast & Wittman, 2009). However, there is no single ideology or doctrine that is necessarily correct (Chilcote, 2018), and the differences between these approaches in political economy are fundamental (Caporaso & Levine, 1992). Studies have shown that parliamentary institutions and electoral change affect policy choices and bureaucratic decision making (Aghion et al., 2004; Laver and Shepsle, 1996, Krehbiel, 1998, Ferejohn and Shipan, 1990, as cited in Weingast & Wittman, 2009). The intellectual excitement in political economy generated thousands of papers in the scholarly frontier; however, these papers were mostly generated in and applied to highly developed institutions of advanced industrial democracies. A literature search on the political economy of Bhutan did not return a single academic paper (as of 30th September 2023). Therefore, the study of political economy in these small states is vital, as political economy answers fundamental survival questions such as why democracy survives in some countries but fails in other countries? Przeworski (2004) argued that the political economy of per capita wealth was a reason for that. Another relevant issue was investigated by Iversen (2008), who surveyed various political economy models to explore the relationship between democracy and capitalism. Finally, Acemoglu and Robinson (2012) and Gordon (2015) explained why some countries develop while other remain poor. Their findings suggested important political economy models that examine these questions.

5.3 Increasing Efforts of State and Institutions in Political Economy Analysis

The Gross Domestic Product (GDP), which is the commonly used proxy for the development of a country is viewed as inadequate and does not capture the true progress and wellbeing (Stiglitz et al., 2009). To address this, nations and institutions around the world are increasingly shifting towards measuring genuine wellbeing and progress. The United Nations Development Programme (UNDP) initiated the Human Development Index (DHI), and its first report in 1990 argued that economic growth does not necessarily translates to human development; therefore, the foundation for human development must be centred around enhancing achievements, freedom, and capabilities, which ultimately contribute to the wellbeing of the people (UNDP, 1990). The second HDI published in the following year pointed out at lack of political commitment rather than financial resources as the

real cause of human neglect (UNDP, 1991). The third report noted the need to establish the Development Security Council within the United Nations, which should be mandated to convene a World Summit on Social Development (UNDP, 1992). The fourth report recommended major means of peoples' participation and decentralised governance (UNDP, 1993). The fifth report recommended setting up of 2020 compact for human development (UNDP, 1994). It is evident from these founding years of the Human Development Index that the United Nations was convinced of the flaws of the Gross Domestic Product system of measurement and was seeking new deals to measure human progress. These reports also indicate the need to restructure the Bretton Woods Institutions such as the World Bank (WB) and the International Monetary Fund (IMF). The World Bank, in its measuring capital for the 21st century seeks answers to the question, where is the wealth of nations? The basic tenet of this inquiry is that economic development must encompass sustainability as an integral part of economic policy making when accounting the monetary estimates of social and environmental costs and benefits. This is sometimes called the adjusted GDP (World Bank, 2005). The Organisation for Economic Co-operation and Development (OECD) founded in 1961, began its *Better Life Index*, and *How is Life reports*. The central argument to this index is that there is more to life than the cold numbers of the GDP and economic statistics (OECD, 2020). New Economics Foundation (NEF) introduced the *Happy Planet Index* (HPI), an index of human wellbeing and environmental impact, in 2006. The central idea of this index is to see whether a country's wellbeing is sustainable (New Economics Foundation., 2006).

Alongside these international efforts, several governments are measuring wellbeing through programmes such as UK's National Wellbeing Programme, Canada's Index of Wellbeing in Canada, France's Commission on the Measurement of Economic Performance and Social Progress (Anderson & Mossialos, 2019). Scotland's National Performance Framework (NPF) on wellbeing economy was established in 2007, and in December, 2019, Iceland's Prime Minister announced that a wellbeing budget was in the works in Iceland (Gregory, 2019). The New Zealand Government is currently pursuing a renewed effort to go beyond GDP in measuring wellbeing and social progress with major funding commitments (Au & Karacaouglu, 2018; Crothers, 2021). Further, in New Zealand, the regional councils are increasingly engaged in implementing wellbeing projects such as the Waikato Progress Indicators (WPI), and the Wellington Region Genuine Progress Index (WRGPI) (Crothers, 2021).

Nevertheless, there are several challenges. How long will national wellbeing remain on the political agenda in the case of New Zealand? Will the wellbeing agenda just remain as another parliamentary process with policy makers not taking meaningful actions and not allocating wellbeing budgets in case of UK, Canada, and France, Scotland and now Iceland? And how to

address the political clientelism of governments in changing political objectives in the case of Bhutan, among others.

The challenges, however, lie in political economy, because any social action entails cost, and the politicians are likely to prefer short-term political advantage over the long-term happiness of the people (Frey, 2008; UNDP, 2019a). Therefore, political decisions must deal with trade-offs, and economic policy must be concerned with how institutional arrangements impact on happiness. For example, the quality of governance and size of social capital affects individual well-being. This is evident from the findings of research carried out in 49 countries in the 1980s and the 1990s, which suggested that there are substantial well-being benefits from improved accountability, effectiveness, and stability of government, the rule of law, and the control of corruption (Frey, 2008). Studies on happiness have shown that flows of social capital (Helliwell, 2006), and government performance (Centre for Bhutan and GNH Studies (CBS), 2016) contribute largely to the happiness level of the people. It may be of significance for governments to increase the happiness level of its people because happier people achieve more in their careers (Davies, 2016), as happy people are more optimistic, more sociable, more enterprising, and they tend to be more successful in their private, economic and social activities (Frey, 2008).

5.4 Buddhist Political Economy

The Buddhist economic framework integrates the interconnectedness of people with each other and the planet to maximise the happiness and to reduce suffering of all people (Brown, 2015; Brown & Zsolnai, 2018; Prayukvong et al., 2017). This is in line with the observations that Buddhism recognises that there is the happiness of sensory and altruistic pleasures, and that "contentment" is the greatest wealth' (Ash, 2007, p. 29 ; Ash, 2011). Once people understand that altruism and happiness come from living a meaningful and a 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. According to Buddhism as evident from the literature (see Chapter 2), everything is interrelated and must co-exist, as for Buddhist, such an economy has to be a moderation of material wealth and mental wellbeing. The core essence of Buddhism is to conduct everyday life in moderation (Buddha's middle path) and promote peace and harmony through beneficial activities involving the un-harmful production and consumption of goods and services, with the goal of eventually making human beings ethically mature.

Several studies have discussed Buddhist economics from a theoretical aspect. For example, Payutto and Evans (1994) articulated the importance of right livelihood in Buddhism within an economic framework, advocating for a shift from a self-centred economic system to a more altruistic and community oriented model. In a similar vein Schumacher (1973) introduced Buddhist

principles in economic thinking, arguing for a more human-centric approach of simplicity and non-violence in Buddhis; Sivaraksa (1994) delved into the application of Buddhist principles in political and social development, which he argued would address societal challenges like economic inequality and environmental degradation. More recent studies by Drechsler (2019), Brown (2015), Brown and Zsolnai (2018), and Sachs et al. (2020) further outlined the development of a Buddhist political economy as a field of study. These authors argued that the Buddhist principle of "dependent origination" where people are interdependent with each other and with the environment, habitats, and the earth, could counter Western economic models of rational, selfish behaviour, profit-maximisation, competitive markets, and instrumental use of the environment.

While there are no sources yet to cite, the expert participants in this study claimed that the traditional and cultural activities long practised in Bhutan are in essence the Buddhist way of doing economy as it is heavily influenced by the Buddhist principles of non-violence. They cited examples of how Bhutanese people are actually very reluctant to use pesticides, have stopped rearing chickens as they eat a lot of worms, only hesitantly plough their field because there are so many worms, and are apologetic and regretful of carrying out these agricultural tasks which kill lots of sentient beings. In terms of business transactions, Bhutanese talk about *Thadamtse and Layjumdrey* [ethical and moral values; respect and loyalty to parents, elders and superiors] which describes the moral integrity we should have, such as not to cheat people, and not to charge or make immoral profit.

5.5 Bhutan's Political Economy

As discussed earlier in this chapter, the existing political economy theories and ideologies divide the world into capitalist and socialist states. The discourse has been largely between the political left and the right, where the left seeks social justice through redistributive social and economic policies, while the right defends private property and capitalism. The nature of the conflict depends on existing social and political cleavages and on the level of economic development. Today, the majority of sovereign states possess elected political leadership which can be described as democracies, and their economies revolve around free trade (Walton, 2020). However, several different forms of political economies have emerged, and some countries astutely took neutrality which combines the elements of capitalism and socialism. Beyond the combination of these two dominant ideologies is the increasing effort towards fostering sustainability of the earth's resources and people's wellbeing.

So, what is Bhutan's political economy? Besides a few papers on democracy, politics, and economy independently, there is not a single academic paper on Bhutan's political economy thus far. The search of international peer reviewed journals on Bhutan such as the *Bhutan Journal of Research and Development* (www.rub.edu.bt), *Journal of Bhutan Studies*

(http://www.bhutanstudies.org.bt), and *The Druk Journal* (http://drukjournal.bt), as well as the AUT Library database and Google Scholar did not return any academic paper on Bhutan's political economy. Therefore, this thesis is potentially the first academic exploration of the political economy of Bhutan.

The preamble of the Constitution of Bhutan, among others feature an oath to the nation as "solemnly pledging ourselves to strengthen the sovereignty of Bhutan, to secure the blessings of liberty, to ensure justice and tranquillity and to enhance the unity, happiness and wellbeing of the people for all time," (Royal Government of Bhutan, 2008, p. preamble). The Constitution, which was adopted in 2008, is the supreme law of the state and any law which came before the adoption of the constitution, if inconsistent with the constitution, shall be null and void (Royal Government of Bhutan, 2008). Article 9 on Principles of State Policy clearly states that "the State shall strive to promote those conditions that will enable the pursuit of Gross National Happiness." (Royal Government of Bhutan, 2008, p. 18). This answers the question of how long the national wellbeing is likely to remain on the political agenda of countries that progressively pursue wellbeing in view of ever-changing political objectives. Unlike New Zealand, United Kingdom, Canada, France, Scotland, and Iceland, Bhutan's national agenda must pursue Gross National Happiness as it is enshrined in the constitution, so the changing political parties will not be able to discard pursuing GNH. The same article also bestows free education, free access to basic health, minimises inequalities of income and concentration of wealth, and promotes equitable distribution of public facilities. It further states that the principles of state policy is to ensure a good quality of life to its people towards a progressive and prosperous country. Furthermore, Article 1, Section 12 bestows the right over mineral resources, rivers, lakes, and forests to the state and are the properties of the State. This confirms that Bhutan is a welfare state (Barr, 2020; Royal Government of Bhutan, 2008). Article 1, Section 2 of the constitution affirms that the form of Government shall be that of a Democratic Constitutional Monarchy. Article 2, Section 1 states that His Majesty the King is the head of state and the symbol of unity of the kingdom and the people of Bhutan. This confirms that Bhutan is a constitutional Monarchy and parliamentary democracy, where the King is the Head of State and Prime Minister is the head of government. Article 4, Section 1 states that the state shall endeavour to preserve, protect and promote the cultural heritage of the country. Culture is one of the pillars of GNH and the preservation of culture is in our national law. Article 5, section 1 states that every Bhutanese is a trustee of the Kingdom's natural resources and environment, meaning that each citizen is responsible for the conservation of the rich biodiversity and all forms of ecological habitats. Section 3 imposes that a minimum of sixty percent of Bhutan's total land shall be maintained under forest cover at all times. Currently Bhutan has 71% of its total land cover under forest coverage (National Statistics Bureau, 2021a, 2021b). Section 5 empowers the parliament of Bhutan to declare any part of the

country to be a national park, wildlife reserve, nature reserve, protected forests, biosphere reserve, biological corridors, critical watershed, and any other categories meriting protection. Currently 52% of Bhutan's total land are protected areas (National Statistics Bureau, 2021a, 2021b).These provisions confirm that the environment, which is the second pillar of GNH, is well protected by the constitution. Article 10, Section 1 states that there shall be a parliament for Bhutan which consists of the King, the National Council (elected every five years) and the National Assembly (elected every five years). Article 15, section 1 stresses that the political parties shall provide choices based on the values and aspirations of the people for good governance. These laws confirm that good governance, which is the third pillar of GNH is well pursued. Section 2 states that political parties shall promote national unity and progressive economic development and strive to ensure the well-being of the nation. Article 20 section 1 states that the government shall protect and strengthen the sovereignty of the Kingdom, provide good governance, and ensure peace, security, well-being, and happiness of the people. Therefore, Bhutan is clearly a welfare state in its legal operation, and a flourishing "Kidu (welfare) democracy" in its policy and practice operation. Bhutan's world-class single-most success is His Majesty's The King's Kidu (welfare) institution which uses the real-world means-tested framework. Bhutan's political economy is thus, a welfare state.

Correspondingly, the underlying principle of the Buddhist Economy and GNH is to "minimise suffering of all sentient beings (both human and non-human), and suggests not to multiply but to simplify our desires" (Brown & Zsolnai, 2018; Zsolnai, 2009, as cited in Drechsler, 2019. p. 529;). Payutto and Evans (1994) stated that "economic and political systems are a question of method, and method, according to Buddhism, should be attuned to time and place" (p. 48). After all, for many ancient cultures, their worldview of a holistic and balanced concept of well-being are reflected in their traditional symbols, such as the "Buddhist endless knot, the Maori takarangi, the Taoist yin yan, and the Celtic double spiral" (Raworth, 2017, p. 46) (*see Figure 9 below*). Similarly, ideologies, religion, culture, and values play an important part in how societies function (Oxfam, 2014, January 27).

Therefore, it is valid to employ a social constructivist ontology for a realist notion of political economy. Why social constructivism? Because individuals seek understanding of the world in which they live and work (Creswell, 2014, p. 24), and in which phenomena is indissolubly connected to the historical, socio-economic and cultural context in which they are embedded (Lodico et al., 2010). Individuals also seek a cultural political economy that encompasses a moral economy that includes langueage, culture and ethical issues, besides wealth creation and governance (Sum & Jessop, 2013). Ontology is "the study of 'being' and the nature of reality, and a system of belief and interpretation of what constitutes knowledge or

reality"(Daniel & Harland, 2017, p. 34). Hay (2016) argued that social constructivism has its origins in ontological distinctiveness and sees social constructivism as ontologically institutionalist. Hay also applied a social ontology that underpins social constructivism as an approach to political economy analysis in his research on 'Good in a crisis: the ontological institutionalism of social constructivism' published in 2016.

Figure 9: Antient symbols from different societies (author's illustration).

Maori Takarangi	
Taoist yin yan	
Buddhist endless knot	
Celtic double spiral	
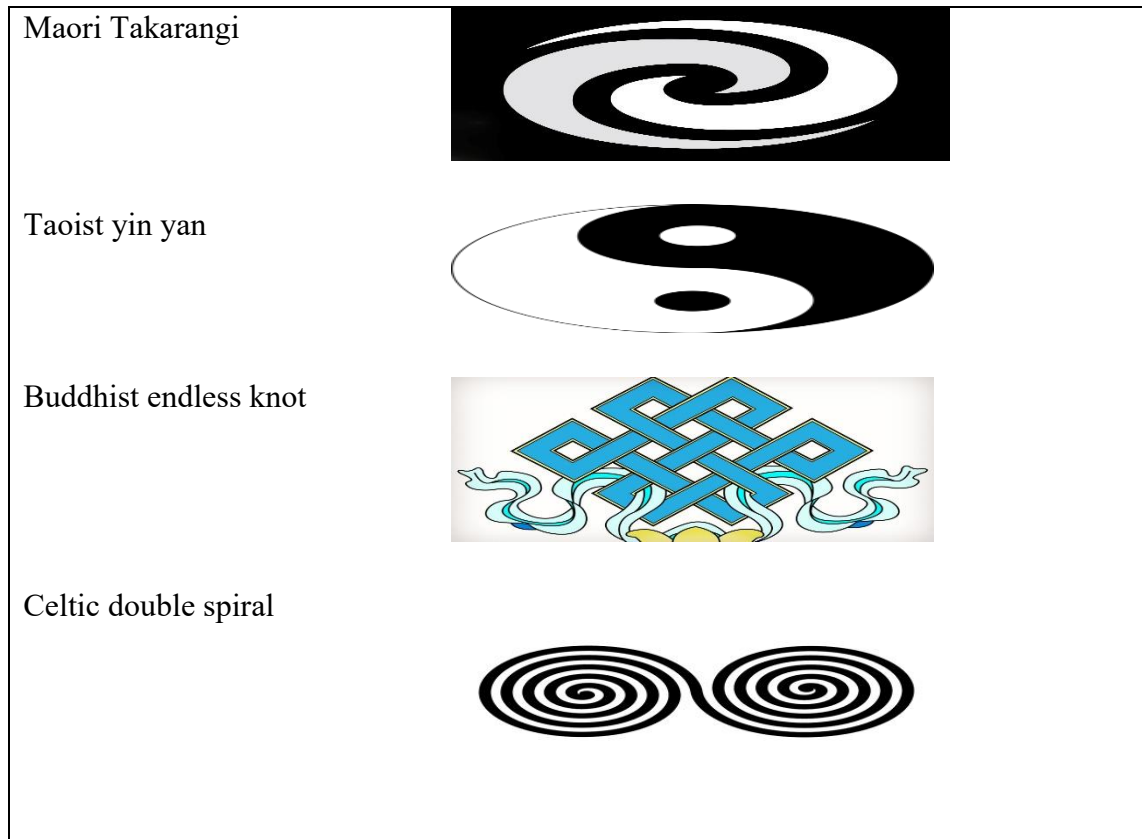
Correspondingly, a social constructivist ontology acknowledges our beliefs concerning the nature of being, of reality, and the consequent system of belief. Such ontological beliefs are cultural, and Bhutan being a largely homogeneous community with regards to its belief systems, it follows that some significant beliefs with regard to the nature and purpose of being will be widely shared and understood. These beliefs will alter the factors to be considered when trying to identify the components of the political economy of Bhutan. For instance, the obvious distinctions for Bhutanese are that the source of happiness is success of significant others, not income; that the goal of life is not to make money, but to enjoy happiness; that the five happiest persons in Bhutan have 6-10 years of schooling and are all rural dwelling (CBS, 2016). In general, these distinctions can be understood as socially constructed through the unique history and social and religious patterns of belief and behaviour in Bhutan.

The tenets of GNH are culture (which serves as a catalyst for promoting harmony and peace within the society), environment (which is protected legally as well as spiritually), socio-

economic development (which is pursued with Buddhist values), and good governance (which is exercised with compassion in the heart of governance). The course module on political economy at Harvard University, stated that the world has been set on fire by current revolutionary projects. The attitude, the impulse, and the progressive alternative inquiry should set out systemic change, which is to humanise the present order in the world (Unger, 2020). Accordingly, this thesis adopts constructivism in the political economy of GNH as a point of departure from a classical realist political economy.

5.6 Conclusion

The concept of political economy is a multifaceted layer of interpretations that range from classical to contemporary perspectives. Adam Smith, Karl Marx, John Maynard Keynes, and other economic thinkers have enriched our understanding of the societal forces that drive economic behaviour. They have decoded the intertwined relationship between politics and economics and illuminated how societal power structures shape economic policies and outcomes. It is through these power structures that certain policies can favour one group over another, affecting the distribution of wealth, resources, and the opportunities within a society. The interplay between politics and economics continues to shift and is an ever-evolving field in light of evolving social dynamics. The focus now is on equitable and sustainable economic systems, fostering an environment where prosperity is shared more broadly.

In this chapter, I have explored various theories and methodologies in the area of political economy, from classical to contemporary, to the Buddhist Economics and the Bhutanese Economics. Several papers have cited Bhutan's GNH as an alternative approach to conventional economic development models, noting it presents a unique case study. However, this study represents the first attempt to define Bhutan's Political Economy in any academic paper. The next three chapters discuss the findings that have emerged from the analysis of expert participants interviews.

Chapter 6: Challenges, Barriers, and Policy Options for Government Performance

This is the first of the three thematic chapters that set out the findings of the thesis. These three chapters are sequentially arranged to provide a logical flow of materials that answers the research questions. This chapter details participant responses which highlight the insufficiency in Government Performance and the policy options thereof. Chapter Seven investigates the policy and practical challenges and barriers to maximising GNH. Chapter Eight then further delves into the causes and conditions of Bhutanese Democracy in implementing GNH and offers perspectives from the various expert groups on the tensions and nexus between Gross National Happiness (GNH), Sustainable Development Goals (SDG), and Gross Domestic Product (GDP) in maximising GNH. Finally, the tensions within Bhutanese democracy in pursuit of GNH are investigated.

In keeping with the thematic approach to data analysis outlined in the discussion of the research methodology in chapter Three, these chapters were developed in accordance with the thematic analysis process proposed by Braun and Clarke (2006), as well as the expert interview process (Bogner et al., 2009; Meuser & Nagel, 2009). This chapter focuses on the key findings on one of the themes, "Government Performance" that emerged from the interviews with policy experts. This chapter further outlines the key issues in government performance in implementing GNH as has emerged from the data.

This chapter is central to the thesis and makes a major contribution to answering the key research sub question on government performance. It may be worthwhile to mention here again, as outlined in Chapter Two, that GNH has four pillars, namely sustainable socio-economic development; conservation and promotion of a vibrant culture; and environmental protection. These three pillars are envisaged to effectively function under the framework of good governance which is the fourth pillar. Good-governance is also one of the nine domains of GNH, and this thesis investigates government performance – a key indicator under the domain of good governance. Under the government performance indicator, the 2016 survey looked at seven sub indicators or services such as job creation, reducing the gap between rich and poor, education, health, corruption, environmental protection, and preservation of culture. The interview question asked what policy options and processes can assist government performance in addressing these issues? While there are several factors contributing to the insufficiencies in government performance, two factors stand out as per the interviews with the policy and political experts. In this Chapter, I discuss these two factors which are, "reducing the gap between rich and poor," (Section 6.1) and "job creation" (Section 6.2). In the final section, I discuss the mandate and challenges of the government performance management system (Section 6.3), which was instituted in the Office of the Prime Minister.

6.1 Government Performance in Reducing the Gap between Rich and Poor.

The people of Bhutan have rated government performance in 'reducing the gap between rich and poor' the second lowest in terms of level of sufficiency. As shall be seen, the issue is not so much about reducing the gap between 'rich' and 'poor', as there are not many rich people. The issue, in Bhutan, is framed more in terms of reducing several specific, important inequalities. Broadly the issues are rural-urban divide; economic development policy and imbalanced regional economic development; education policy; inefficient systems; and what policy options might address these insufficiencies. These are discussed in the following sub sections.

6.1.1 Rural and Urban Inequality, Causal Effects of Economic and Education Policies.

Inequality was the dominant theme among experts, which in the Bhutanese context is the consequence of a rural-urban divide, which result in turn from development policies. The experts cited limitations in the economic development policy that failed to cater to balanced regional development. The other limitation is in education policy that has created disparity in the quality of education between urban and rural schools. Expert participant Hon'ble Dr. Passang claimed that inequality in Bhutan is a rural phenomenon which flows through to urban poverty, and it is deeply rooted in the family structure, inheritance, education, and lack of policy options such as balanced regional development.

> Inequality is a defining characteristic between the urban population and the rural population. As you go into the rural areas, you find poorer people, but it does not mean to say that we don't have urban poor. We have urban poor, but these are the migrants of the rural poor, who are already poor in the rural areas. It is not that they became poor by coming to the urban centres. So, inequality is a rural economic characteristic in Bhutanese context. As I argued, it is very rural in nature. If we do not address the problems of imbalanced regional development, the inequality will rise. Because people who are in the farms are going to come to urban centres. And when we talk about urban centres, we are talking about Thimphu [Capital city] and Phuentsholing [second largest city]. And on the other side, in the urban centre, we already have a lot of problems like job crunch, expensive housing, and not enough facilities for the urban dwellers.

The issue of inequality was also mentioned by expert participant Tharchen (a former member of Parliament) who insisted that Bhutan must differentiate between rural inequality and urban inequality and address them separately through policy interventions.

> We must note that the whole urban governance is being totally different from the rural governance both by the size and structure. We really need to bridge the gap between the poor and the rich through different policy incentive approaches mainly targeting to reduce cost of living for those urban poor, and enhanced livelihood in rural section of society.

Like several other experts, the two above pointed out the wicked problems of rural poor and urban poor that creates the gap between rich and poor and highlighted policy options and programmes to be instituted. Close to what the participants said, the consumption quintiles shows that the poorest 20% of the population in Bhutan consumes 8.8%, whereas in contrast the richest 20% consumes

37.3%, which is more than four times that of the poorest. The Gini index, which measures inequality, is at 0.285 for all of Bhutan. The distinction is higher in rural areas (0.29) as compared to urban areas (0.26) (National Statistics Bureau, 2022a). The farmers are less happy than other occupants (Centre for Bhutan and GNH Studies (CBS), 2016).These figures need to be put into international and regional context. The World Inequality Report (2022) shows that the bottom 50% share of the world population consumes 2%, while the top 10% share of the population consumes 76%. In South and South-East Asia, the top10% of the population makes 55% of the total income. In India, the top 10% share of income is 57.1%, whereas the bottom 50% share of income is 13.1% (Chancel et al., 2022). Closer to Bhutan's figures is that of Europe, where the top 10% income share is around 36%, of the resources, making it the most equal region.

The expert participants also cited imbalanced regional development as the reason behind the rural urban divide. Expert participant PolicyL2 believed that the issue of inequality emanates, because the economy is not doing well, particularly the regional imbalance of economic prosperity. The expert cited the regional economic activity figures and asserted that while some regions are flourishing, other regions are not doing well, and other regions are even struggling.

> For example, the government is trying to bring tourism into every region, so that people have some means to promote their livelihood. But again, it depends on how the infrastructure, and the carrying capacities are laid out. Inequality stems from poverty, right? And the poverty rate is quite high, again this is coming out of the livelihood, and livelihood as you know we are an agrarian society, and our economy is small, and that level of opportunities that needs to be created in the economy is very limited.

Like expert participant Aum Kunzang, Aum Lily also emphasised 'imbalanced rural urban development' as the root cause of inequality in Bhutan, and cited examples of the issues faced by the rural population, especially the farmers.

> There are numerous root causes, and one factor is imbalanced rural urban development. When there is imbalance in rural urban development, people will migrate to urban areas and there is also the urban poor. There are many challenges in rural areas with human-wildlife conflict, shortage of water for irrigation etc. A farmer once told me, 'Our life is almost finished, we had been born here, we grew up here now we will die here, whether we like it or not. But we tell our kids, do not come back to the village, it is okay even if you can find any small job in urban areas, because if you are here, you will suffer like us.' So, their kids are encouraged to go to urban areas and life can get difficult without employment and youth end up resorting to crime. Further, without gainful employment, the potential of our young population is lost.

Like several other experts, both the experts cited above identified imbalanced regional development as the root cause of inequality. Limited infrastructure, lack of facilities, shortage of water for irrigation, and human-wildlife conflict force people to move to urban areas. The National Population and Housing Census of Bhutan 2017 showed that 21.7% of people have migrated to urban hubs leaving agricultural land fallow and households empty, while only 4% of people migrated from urban to rural places (National Statistics Bureau, 2018b). In recent years, the trend is

improving with decreasing rural-urban migration and (National Statistics Bureau, 2018b) increasing urban-rural migration. However, the internal migration is still dominated by rural-urban migration (National Statistics Bureau, 2020). In addition, Bhutan is experiencing rapid demographic and socio-economic change, and this transformation involves a shift from a rural to an urban society which all countries in the world are experiencing. This does not sit well with the GNH policy of cultural diversity and community vitality. Close to what the experts said, people living in urban areas are happier than rural residents (Centre for Bhutan and GNH Studies (CBS), 2016). In all cases people identified economic development challenges. What sits with the GNH infused policies is that more than half the country is protected as national parks, wildlife sanctuaries, and biological corridors. Felling trees, hunting wild animals including retaliatory killings are prohibited under Bhutan's Forest and Conservation policy (National Plant Protection Centre & WWF-Bhutan, 2016). The report cited an increase in forest cover with the ban on shifting cultivation and several tree plantation campaigns, including the Strict Forest policies, which prohibits hunting animals, and the religious sentiments of the people are the most prominent reasons for increased human-wildlife conflict. Where and how does Bhutan draw the guidelines for a safe strategy?

Several expert participants discussed issues ranging from the regional concentration on business establishments to five-year plan budget outlays for different sectors, and the need for investing in economic fundamentals. Expert participant Sangay's (a former Member of Parliament) perspective was oriented towards the government budget allocation and spending patterns that lead to income inequality.

> When you look at the five-year outlay, and then the exponential growth we have had in the last few plans, naturally, this is all going to be government expenditure. And so when there is expansionary budget policy, naturally that money is going to seep into the economy. And when the Economic Development Fund is very narrow, that money will seep into only those narrow-limited sectors, which means people engaged in these sectors are the ones who are going to be employed, who are going to get a lot of work done, who are going to make money. So the people who are not in terms of those sectors, they are not receiving too much focus, money's not spent much. And therefore, they do not have the ability to generate income, and creation of new wealth. And therefore, when few sectors receive a lot of spending, and others don't, naturally, I think that gap is expected to widen.

Similarly expert Hon'ble Dr. Passang cited how the current number of business enterprises are set up in Bhutan. Thus, he said that *"data shows that more than 70% of the business enterprises are located in Thimphu and Phuentsholing [two largest urban cities in Bhutan], and only 30% of enterprises are spread across the other areas of Bhutan."* Expert participant PI2 pointed to the necessity of getting the economic fundamentals right to reduce income inequality. The expert said that *"to reduce inequality, we must get the fundamentals right. Perhaps it starts with wages, then opportunities, jobs, training, knowledge, economy, and creating a knowledge society. These ideas are there, but it is taking time to get it right."*

Close to what the expert participants said, 60 percent of the business establishments were concentrated in 6 out of 20 dzongkhags (districts), and 64 percent were located in urban areas (National Statistics Bureau, 2018a), depriving the economic prosperity of the rural regions. However, the 12th Five Year Plan (2018-2023) strategic framework's National Key Result Areas have been formulated in a manner that contributes towards maximisation of GNH. The 12th Five Year Plan was the first plan wherein the GNH framework was extended from four pillars to nine domains mainly to ensure particular focus on psychological well-being, community vitality and time use which are important elements of GNH. This formulation framework takes decentralisation further to the grassroots and almost doubles the share of financial resources to Local Government (Gross National Happiness Commission, 2017). Similarly, Bhutan's Economic Development Policy is also based on a GNH philosophy and focuses on the sectors where Bhutan has competitive advantage. There is not much emphasis on the manufacturing, polluting industries, and mining sectors. Since 2008, successive governments have placed highest priority on hydropower development and spent enormous resources in this sector (Tobden, 2023).

Several expert participants emphasised the need to revisit the education system. The latest GNH survey (Centre for Bhutan and GNH Studies (CBS), 2016) studied nine domains that contribute to a person's happiness, and education was one of the domains which looked at types of knowledge, values and skills. Under education, the survey measured the literacy rate, years of schooling, cultural and historical literacy, civic knowledge, and artisan skills, but not the quality of the education. This survey shows that education as a domain that contributes the least to the value of GNH. Closer to the survey findings, expert participant PI1 cited examples of how the education policy must be revived to address these challenges.

> The deprivation in the year of education is one of the major data that causes poverty and inequality, contributing 32% to poverty and inequality. Child mortality and school attendance are the other causes that leads to poverty and inequality. So, from this perspective, I think there is a need to look at the education policy if we are to bridge the gap between rich and poor. We will know from our experience that most doctors, most pilots, and most engineers in Bhutan, come from urban areas. Why? Because the education quality in urban areas is better, their parents live in urban areas, and because they work in urban areas. So, there is a need to look at the education policy itself. Why do you want to bring all the good teachers to towns/urban areas? Why can't we incentivize good teachers to go to rural areas?

Likewise, expert participant Dr. Lhawang discussed the role of education in reducing the inequality gap and emphasised that education fundamentally makes a lot of difference to a person's lifelong income, even within one generation. Education in Bhutan is free, and it is made accessible to all. The expert pointed out that *"if you look at our parents, they were not rich generation, it is education that brought them into the civil service, that got them prominence and also the income."* With regard to the quality of education, a report from OECD Programme for International Student Assessment for Development (PISA-D) shows that Bhutanese 15-year-olds performed on par with

15-year-olds of top PISA-D countries but lag significantly below the OECD average (BCSEA, 2023). Closer to what the experts said about quality of education being better in urban areas of Bhutan, the National Education Assessment pointed out that class three (Year Three) students from higher-income families performed better in English reading literacy and Mathematical literacy (BCSEA, 2023).

Several experts also argued the urgency to adopt a National Education Policy. The Royal Government of Bhutan has accorded top priority to the education section since its planned development began in 1961. It began with the establishment of the Royal Education Council which carried out extensive research into quality of education. The first government (2008-2013) introduced Educating for GNH. A lot of national and international experts met several rounds to discuss the quality and relevance of education. The second government (2013-2018) laid out the educational journey for ten years and came up with the education blueprint. The third government (2018-present) overhauled the teacher pay packages and made teachers the highest paid civil servants in the country. It stated that a, "delay in the approval process of the National Education Policy has resulted in a lack of clear direction for teachers, particularly around how to incorporate new global-based foci into Bhutanese classrooms with the appropriate incorporation of GNH" (Tobden & Ham, 2022).

6.1.2 Gender and Women Leadership and Attributes of Income Inequality

Several expert participants pointed out three issues related to gender inequality, namely income and employment; inadequate representation of women's administrative and political leadership; and the absence of women's voices in the policy making process. Expert participant Dr. Sonam emphasised that with better gender equality, such as seeing more women in leadership positions and political participation, would narrow the gap between rich and poor.

> The government should develop a women empowerment plan to eradicate the sticky floor problem and reduce the glass ceiling cases by instituting gender-sensitive schooling and employment selection programmes. Glass-ceiling in the sense that most of the highest category of jobs were occupied by men. For political participation by women, the government should provide educational awareness on the importance of electing female politicians or local government leaders. As of now, though, there is no discrimination for political participation, but due to societal norms being a male-dominated society, people still are in favour of male elected leaders. Another issue is gender earning inequality. When I look into the current scenario from the year 2012 to 2019, from my calculation, I observed that woman in Bhutan earns around 14 percent lesser than men. If we look into the employment figure, female accounts for around 50 percent of the labour force. Thus, the mean difference in earnings between male and female indicates there is still discrimination in the labour force in Bhutan.

Expert participant Aum Lily noted that since the adoption of the "*gender neutral policy, the unemployment rate among the women is higher.*" Similarly, expert participant Dr. Phuntsho, who is a researcher, and a Chief Executive Officer of a civil society organisation, and a woman herself

commented that "*at the policymaking level we do not have enough women representatives, and even the few women who are there are also voiceless."* These factors may be contributing to why women report being less happy than men in Bhutan in the last GNH survey (Centre for Bhutan and GNH Studies (CBS), 2016). However, concerted efforts are being made both in policy as well in budgeting frameworks to address these disparities. For example, the 12th Five Year Plan's one of the 16 National Key Result Areas is Gender Equity Promoted, and Women and Girls Empowered. Under this National Key Result Areas there are six Key Performance Indicators (KPIs) which are women's representation in the parliament; women's representation in Local Governments; Gender Parity Index in tertiary education; female unemployment; Gender Equity Index; and female participation in management positions in the public sector. There is also a national plan of action for gender in the 10th Five Year Plan (2008 – 2013). In the 11th Five Year Plan (2013 – 2018), one of the National Key Result Areas was creating a gender friendly environment for women's participation in elected offices, including political and local government positions (Tobden, 2020). Despite several projects, education, and implementation of awareness, women's participation in political positions still remains low. The latest National Council elections in Bhutan in April 2023 only featured five female contestants out of 90. On the election day, only one out of five female candidates got elected. Surprisingly, according to the figures from Election Commission of Bhutan (Election Commission of Bhutan, 2023) there were more female voters (51.26%) than male voters, and that 4169 more females voted. This raises a critical enquiry about whether women vote for women. Women's participation in elected positions largely depend on the significant success and delivery of the current women leaders (Tobden, 2020, p. 13).

Bhutan has proudly claimed being a matriarchal society, but seems to be failing its women (Tobden, 2020). In South Asia, women's representation in national parliaments in 2022 was extremely low, including in Nepal (29.9%), Afghanistan (27.7%), Pakistan (20.6%), India (11.8%), Sri Lanka (5.8%), Maldives (5.9), and Bhutan (8%) (Tobden, 2020). Globally, women's share of total incomes from work stands at less than 35%, while men claimed 65% (Chancel et al., 2022).

6.1.3 Inefficient Governance, and Administration Systems: Obstacles to Enhanced Public Service Delivery.

One of the dominant themes that have emerged from the analysis of the expert participant interviews is inefficient governance, and administration systems, as obstacles to enhancing public service delivery. Expert Aum Kunzang shared personal experiences of how the Gross National Happiness Commission is committed to addressing inequality in Bhutan. However, challenges remain from inefficient systems, governance, and administration:

> When I was working in the gross national happiness commission, we had a lot of targeted interventions for poverty alleviation. Again, poverty is a complex issue, one time you will be in a good position, but the next day you might find yourself in another position. We were trying to put down each household across the country into the database, and also keeping the

database dynamic so that we know, and we can measure their progress. But somehow, I think it is also to do with governance and management, and those intentions and the measures that are taken did not come to fruition in the end. You feel that these interventions are very good, and this will really give us the basis on which we can act, and we can make the changes. But along the way, because of issues with coordination, because of lack of continuity in the systems, lack of awareness, and capacity of the people working for such programmes, the intended results are not achieved. So sometimes very good initiatives are lost along the way.

Expert Tharchen also expressed the need to enhance public service delivery, that would help the lower rung of the society to progress. Efficiency of public service delivery has been a recent issue discussed in the public domain in Bhutan. Almost all the expert participants cited His Majesty the King's Kasho (the Royal Decree) on Education Reform and the Royal Civil Service Reform issued on 17th December 2020. The Royal decree pointed out that the government has implemented initiatives such as Organisational Development, Leadership Development, Managing for Excellence, Civil Servants' Well-being, as well as periodic incentives and recognition, in an attempt to improve the competencies and performances of civil servants. Despite such investments, the Kasho stated powerfully that *"the core impediments against the development of a more professional and efficient bureaucracy remain entrenched in the system."* The Kasho revealed several issues in the current Bhutanese bureaucratic system, as outlined in the following excerpt:

Protected employment has assumed that competencies and skills, job descriptions, and projects remain valid till superannuation. Seniority has been conflated with authority and competence. Institutions of check and balance have had the reverse effect of stifling initiative and courage in decision-making even as corruption is at risk of being institutionalised as a norm, and accountability has been minimal. Agencies pursue isolated sectoral objectives while administrative processes burden efficient service delivery. Communication and co-ordination has been further side-lined in the quest for autonomy by different agencies. Divisions and units proliferate to justify creation of more departments. Consequently, 35% of services are delivered by one government agency to another rather than to the people. Growth of institutions and increases in the number of civil servants tend to happen without coherence and direction. As a result, we could not capitalise on the strength and opportunities provided by our small demographic and geographic sizes. In the process, we are losing valuable time and opportunity. This will prove costly for our small, land-locked country and aggravate our vulnerabilities to the daunting challenges of geographic and geo-strategic realities. (Kasho, 2021a)

The Royal Decree enquires that a Civil Service Reform Council be established to fundamentally restructure the Civil Service in Bhutan. The Kasho called for a renewed vision for the 21st century, that would build the unshakeable foundations of a vibrant democracy and create the material conditions for realising GNH. It further stated that Bhutan must translate the large size of civil service proportionately to performance and prevent it from becoming an impediment to Bhutan's

national development and progress; and take on board legitimate concerns over the sense of complacency and indifference generated by the guarantee of job security afforded to civil servants in Bhutan.

The index of government effectiveness captures perception of the quality of public services, and the degree of its independence from political pressure, quality of policy formulation and implementation, and the credibility of the government's commitment to such policies (World Bank, 2022). The global government effectiveness ranked Bhutan 1st place in South Asia. However, internationally, Bhutan only achieved 46th place.

6.1.4 Inequality as a Natural Process.

While most expert participants cited the societal ills of inequality as the consequence of all the issues listed above, some expert participants thought otherwise. Dr. Phuntsho shared that inequality is a by-product of the global development process, and that it is not unique to Bhutan. Likewise, expert Dr. Lhawang said inequality is a sign of progress and that it is a natural process that any country embarks on as part of its development pathway. However, His Majesty the King is concerned by the important issue of inequality and addresses it through the Kidu programmes which provide access and quality of education. Dr. Lhawang shared some highlights from a study he conducted on inequality in Bhutan:

> I have done a bit of study on inequality in Bhutan, and there are a couple of things that you need to look out for. One is that a rising inequality by itself may not be really bad, because when you are looking at an equal society, it means two things; either everyone's got the same good income, or everyone's got the same low income, and we don't want that. So what you want is, as the country progress, people's income are going to increase, so you are going to get some level of inequality. So that is good in a way, that is the sign of progress. But I think, just moving away from that, whether inequality is increasing or not in Bhutan. The key policies for reducing inequality, if it is a generational income, there is the taxes. I did a paper showing that if anyone is left behind, if anyone falls through the gap, then His Majesty's Kidu system picks it up.

Expert participant Dr. Phuntsho and Dr. Lhawang both said inequality is a natural phenomenon as the country develops, and expert participant Dr. Karma specifically mentioned that inequality will rise as Bhutan promotes private sector development. The expert said skilful allocation of resources is a policy option to address inequality and cited examples of how and where to allocate resources. The expert also shared how he wants the national slogan to be rising up together:

> …as you promote private sector, there is certainly higher risks of inequality growing. If you follow a typical capitalist model because those who are hardworking, will earn better and get richer, and those who are laid back and lazy, and incapable will remain poor or even become poorer. So here, I think what we really need is a very skilful allocation of resources. For instance, you open up opportunities for everyone in the country, and help capable individuals grow. For people who are incapable of growing, who are marginalized, disadvantaged, the scarce state resources should be allocated to them, so the inequality is lessened. Those who are poor gets the help from the state, those who are capable let them grow. I think it is good to have a billionaire or two in Bhutan, it doesn't harm. I think what we should do is, we should really have a different slogan, I was suggesting this to the economic roadmap, the slogan should be, 'rising up together.'

Expert participant Aum Tandin cited examples of practical issues faced while implementing educational and economic policies and programmes to narrow the income inequality including the role of education:

> Narrowing the gap itself, how can we do that? One option would be to take stock of all the poor people below a certain income level, group them together and give them handouts. But as a society, would you like to do that? And from the government side there are pro-poor programmes. Many of these things are coming from the grace of His Majesty the King's Kidu interventions. Let us say, you are going to build housing for the poor. If we actually analyse well, unless we source everything locally like timber from the forest, or thatched roof, then maybe it would be like these poor people would have housing, but maybe this housing may not be considered proper housing. Now everybody has the Corrugated Galvanised Iron sheet and proper floorings and all. So where does this come from? It has to be bought. So when you buy from certain groups, who benefits? It is actually the steel companies, and the cement companies. But at the same time, if we didn't buy from these private sector people, we won't be able to help the poor. Even if it is medicines or clothing, etc, we have to source it from somewhere. If you have a socialist kind of setting maybe, but I think this is not what we aspire to have, and not a model that we would really like to have. We want democracy, freedom, where both the government and citizens play their respective parts. So again, the increases in Gini coefficient are also an unintended outcome. There is some level of progressive taxation, which are means of ensuring that the rich pay a little more and take responsibilities of helping the state. But you wouldn't want to increase taxes, as already the business income tax and all are slightly higher. I think the government cannot afford to not have the private sector grow also. If you increase the tax higher, ultimately, somebody has to pay the price, and it is going to be the common citizens again. So these are interesting times, as I mentioned, paradoxical times, it's bound to happen. So right now many of the services the government buffers in is through cross-subsidies provided through various relevant means.

Expert participant Tharchen also argued inequality as a natural process when a country is developing and said *"I think, if we look at it from the capitalist point of view, it is the survival of the fittest, right? So, the better you are in business, education etc, the better you are in terms of your economic and social life."* Expert PolicyL2 said *"even developed countries like the United States, Europe, Canada, or even New Zealand, have not completely done away with inequalities. Bhutan is still learning, and we will be tackling the issue of inequalities."*

Income inequality reveals how a society's material resources are distributed among its people. While several expert participants voiced concerns about the rising inequality, others believe it is a natural phenomenon as a country develops. Studies conducted by the OECD showed that the policy concern is more for the direction of changes in inequality, rather than for its level (OECD, 2011).

Expert participant PM1 argued that inequality is a complex issue in Bhutan, and it plays out in various dimensions. The high percentage of unemployed youth, exorbitant rent and housing in urban places, and people comparing their income amongst themselves are all common issues in consumer societies. There is a need to focus on improvements to rural prosperity and urban wellbeing. The expert supported his arguments with examples:

What happens is for a young college graduate looking for jobs, and struggling to make ends meet, and we know rent in Thimphu (Capital City) is very high. So that idea of inequality in the sense of injustice and all comes out much stronger in the young people. Then you take it to another level and to slightly better off people (lower middle-class) who look at the upper-middle class and say, they were fortunate to be born in a certain family, have endowed them with so many resources, it is not fair. When the upper middle-class people compare themselves with industrialists, they feel it is not fair. They say why should a handful of privileged people be enjoying resources that belongs to the state without working too hard? They are benefiting just because they have been lucky at one point of time to get a license or a political favour to get something like that. So, again hard-working businessmen and industrialists who take risks, see that even their life is not fair because a few people just by luck and economic rent-seeking opportunities are doing better than them. So, you see, this perception of inequality is coming out/is playing out in various dimensions. Uniquely, Bhutan is a highly cohesive society and many people know each other who compares themselves to somebody they know and feel that inequality is growing. So addressing this, again, is not a one size fits all, so what are you trying to address? Is it the rural urban gap? Inequality? Thimphu? Youth? The rich and the richest also have their view of inequality and unfairness. So it requires multiple approaches.

Like expert participant PM1, expert participant Hon'ble Tashi also said inequality is highly detrimental to achieving happiness. When somebody finds himself or herself not equal to somebody else that disparity and disgruntlement can be counterproductive to happiness. He also talked about getting the right policies in place, policies that transcends beyond the political term of five years of government:

Inequality is highly detrimental to achieving happiness. Why it has happened perhaps again maybe we should really sit back and do some reflection on the policies and programmes that we launch. Again, I am going back to the term base government, elected government that come to power. What should be actually the consistent or long-term policies that should not change whenever a new government comes? That has to be very much in everybody's mind. We must come up with key policies, which will take us regardless of which government comes, this is what will take us as a country towards our true Northern star.

These expert participants discussed issues associated with youth, unemployment, rent affordability, and comparisons drawn among Bhutanese people. As pointed out by the experts, the GNH levels among youth are lower than other age groups (Centre for Bhutan and GNH Studies (CBS), 2016)

6.1.5 Policy Recommendation for Narrowing the Gap between Rich and Poor.

Expert participants suggested numerous policy options and programme interventions that could be implemented in response to reducing the gap between rich and poor, as listed in Table 15 below:

Table 15: Expert participant's policy recommendation for reducing the gap between rich and poor.

Issues	Policy Options
Rural poor and Urban poor	A vision for 'urban-wellbeing,' and 'rural-prosperity.' Where farmers are able to feed urban dwellers, and whatever little money the urban dwellers have goes back to the farmers. A political economic policy, that Bhutan experiences urban wellbeing and rural prosperity (Hon'ble Dr. Passang). Clear policies to bridge the rural urban gap in terms of growth opportunities and income generating opportunities (PM1). For rural folks, come up with targeted intervention, particularly in terms of, irrigation, water, farming subsidies, farming support, and of course, followed up by marketing support (His Excellency Dorji)
Challenges in Rural and Urban prosperity	Providing affordable housing, create jobs for urban dwellers. Agriculture and farming subsidies and incentives for the rural population (Tharchen). The need for affordable housing, public housing, rent control, and giving higher salaries (PM1)
Regional imbalance development	Regional balanced development policy: For example, bring tourism into every region, for people have some means to promote their livelihood. Infrastructure, and the other means, that needs to be there to churn those potentials must be laid out (PL2)
Inequality	Focus on bridging the development between urban and rural areas, between men and women, old and young and rich and poor. Have policies that are more focussed on those who are left behind (Aum Lily); Enforce the minimum wage rate policy strictly, as most women are employed in the lowest category of job spectrum. Nationalise all the natural resources, like mining etc. Enforce wealth and inheritance taxation (PM1; PolicyL2)
Education Policy	The National Education Policy which was initiated in 2014 is still in draft form. The urgency is to approve the policy.
Enhance Governance	Revamp institutions, and institutionalise efficient and well-coordinated systems, while at the same time keeping them dynamic, keeping them evolving, and updated (Aum Kunzang); One of the ways to look into this is obviously through improved public service delivery (Gopilal)
Budget and financing	Enhance better provisions of financing mechanism to help people setup business and create income, to address the issues of income inequality (Aum Kunzang); Improved opportunities for businesses in terms of access to finance; in terms of ease of doing business; in terms of other support. For example, allow alternative financing policies without collateral (Gopilal)

6.2 Government Performance in Creating Jobs.

Creating jobs under government performance was the least sufficient factor rated by the people of Bhutan in the 2015 GNH survey (Centre for Bhutan and GNH Studies (CBS), 2016). This directly shows that a large number of unemployed people are not happy with the government's performance for not being able to create jobs for them. The experts cited several factors such as mismatch between jobs and skills; limited private sector growth to generate jobs; and lack of systemic coordination. The issues, challenges, opportunities and policy options are discussed below.

6.2.1 Current Unemployment Scenario in Bhutan

According to the data from the Bhutan Labour Force Survey, as of December 2022, the unemployment rate is 5.9% (18,198 persons), which is an increase of 1.1% points from 2021. The unemployment rate for females is higher with (7.9%) as compared to males at (4.4%). Moreover, unemployment is three times higher in urban areas (10.4%) as compared to rural areas (3.4%) (National Statistics Bureau, 2023a).

The overall unemployment rate of 5.9% is concerning but not alarming, as the unemployment rates have surged across the globe during the (COVID-19) pandemic. In the region, the latest available data from World Bank for 2021 showed that India's unemployment was 7.7%, Nepal's 12.2%, South Asia's average was 7.3%, OECD members was 6.2% and New Zealand's was 3.8%, when Bhutan's unemployment rate that year was 3.9% (World Bank, 2021a), although NSB (National Statistics Bureau, 2021b) showed 4.8%. However, what is alarming for Bhutan is the youth unemployment rate. The overall youth unemployment rate (those unemployed persons aged 15-24) was 28.6% (8,496 persons, of the total 101,170 youth), where female youth unemployment rate was (32.8%) is higher as compared to male youth unemployment rate of (24.4%) (National Statistics Bureau, 2023a). The NSB report also showed that for every 100 unemployed persons, there were 47 unemployed youth. The report indicated that the major reasons for youth unemployment were that 21.4 % lack adequate qualifications required for the relevant employment in the market, and mismatch of qualifications, and that 77.5% of the unemployed people preferred to work in government jobs.

Almost all the expert participants were well versed with the unemployment figures above. This indicates that unemployment, especially youth unemployment has been a major focus in the Bhutanese policy making and resource allocation domain. The experts also voiced their frustration on how various significant projects with huge financial contributions to address unemployment were not achieved. The issue, the experts said was not with government alone, but with the Bhutanese youth seeking jobs as well. To explore this further, the sections below discuss policies and programmes laid out by the government and the reasons why a large portion of Bhutanese youth remain unemployed.

On the policy front, there is the National Youth Policy, the National Employment Policy, and the National Human Resource Development Policy. To capture the most accurate information, this study interviewed expert participant Aum Kunzang who is a senior official overseeing the Department of Employment. In the interview, Aum Kunzang said the following:

> We have the National Employment Policy, and the National Human Resource Development Policy. The National Human Resource Development Policy has just recently been reviewed, and an action plan has also been developed. From those processes, what I found was some aspects of the policies which are low lying and quite easy have been done and are being carried on. However, there was the need to form a committee to coordinate and to advise and steer the Human Resource Development countrywide on the national level, and that never happened. I think the main issue was there was lack of buy in and support from the highest level at the bureaucratic and government level. And if that is not changed, then we cannot really move much on/in these areas.

The interview then asked, 'with these policies in place, what programmes are laid out?' To this the expert participant said:

> We have the Youth Engagement and Livelihood Program (YELP) which provides a wage subsidy for the target group to be employed in private companies, and civil society organisations. Then we have the skills training program, which we carry out through the Critical Skills Training (CST) which is for the pre-service target group, who do not have any experience and haven't worked in any area. Then we have Critical Capability Development (CCD) which is more targeted towards the in-service, so it is more towards upscaling and re-skilling. Then we have the entrepreneurship development training in the form of a basic training and advanced training, and this is now being integrated into all the training programmes that we are implementing. Along with the entrepreneurship development training, we are trying to include an end-to-end support, which was not there earlier. Now we are trying to add facilitate access to credit facilities for buying equipment that is required, and even setting up incubation centres for start-ups, and any other support that is required even in terms of detailed project reports (DPRs). We are trying to facilitate and support new entrants into the businesses. We are also trying to provide platforms to promote creativity and innovation, especially in businesses such as, hackathons, new venture challenges, online freelancing courses, start-up weekends, international business idea competitions, student business seedling programmes, even integrating the business and innovation courses into the class 11, and 12 curriculums.

While the policies and programmes are well placed, the challenges remain with systemic coordination among stakeholders, and also the lack of leadership. The expert said:

> We only support, facilitate and create a conducive environment, but we cannot create the jobs. So who creates the jobs? we have to assess and say, 'the ones who create jobs are out there, and we have to now reach out to them, have that very open dialogue and that clear line of communication with these people out there in the private sector, in the civil service, in the corporate sector, state owned enterprises, the civil society.' I think we have to really have that good communication and that coordination, but I think these are some of the processes that are missing. Then we lack this very robust and dynamic labour market information. It boils down to the information that we collect. If we do not have proper and accurate supply and demand information, then any interventions done to create jobs, or to increase employability, I think it will fail, because you are not basing what you are doing on good, robust and credible, reliable data.

This study then reached out to the Members of Parliament. Expert participants Hon'ble Nima cited how unemployment was a priority agenda at the National Council. He said:

> In the National Council we had the opportunity to review the employment policy. So while we reviewed the employment policy, we had made lot of observations and at the same time, we also made commensurate recommendations to the government. At this moment, I am not sure whatever recommendations we have passed were fully implemented by the past government or not. Unemployment is a serious concern, especially the youth remaining unemployed.

From the discussion above, it is evident that the government is implementing a series of policies and programmes to address unemployment issues. The sub-sections below discuss the determinants of unemployment in Bhutan.

6.2.2 Mismatch between Jobs and Skills

One of the major challenges in addressing employment is the mismatch between jobs and skills. Expert participant Hon'ble Dr. Passang noted that *"our education system, I think we are focused too much on the soft subject, and not so much on the vibrant vocational training elements in our curriculum. So, that is one of the problems."* The expert also cited examples of progressive nations built by vocational skills:

> Switzerland is built by people who don't have university degrees, but who have technical knowledge, who have vocational education. So we must actually get to that understanding to move forward, to develop the economy. To create jobs, education is important, but the right kind of education is more important.

Expert Dr. Sonam also cited a mismatch between jobs and skills amongst youth job seekers:

> every year, we have more than 2000 university graduates looking for jobs in the market. Now the government needs to ensure that they have the required technical skills as demanded by the employee. In the current scenario, there is much demand for technical skills, but most of the graduates looking for the jobs are from Arts and Commerce background such as with degree from Dzongkha or Geography courses. So there is a mismatch between job demand and supply in the labour market.

Expert participant Dr. Kinga pointed out that *"our situation is more about mismatch of jobs."* Experts cited how unemployment, especially youth unemployment in Bhutan is a unique issue. While there are about 10,000 Bhutanese youth who are unemployed, there are close to 50,000 Indian labourers working in the construction sector in Bhutan. Expert participant Dr. Sonam commented, *"though we have an increasing number of unemployment cases, around 50,000 to 60,000 expatriate workers are employed in Bhutan. So far, most of the skilled workers were imported from neighbouring countries."* Expert participant Hon'ble Nima echoed similar concerns and said:

> We are living in very paradoxical times. Our youths are saying they are unemployed because there are no jobs for them. We have farm labour shortages, while the government wants to achieve food sufficiency. We have construction labour shortages, when the government is heavily investing in building infrastructure. So we have to review our

unemployment scenario very critically. Again, we must reinvent our education system to address these issues. It is not fair to say, 'I am unemployed, so the government has failed me in that.' And with COVID again, it is providing us this good time to reflect not only as the government, but even as citizens. With restrictions on import of foreign workers, because of the COVID risks, what we are seeing is many of the key projects, especially construction projects are affected. Because, firstly, we do not have skilled people and even the few skilled ones are unwilling to work in the construction sector.

Expert participant PM1 cited two reasons for the unemployment scenario in Bhutan. One is the mismatch of skills and other is the white-collar job bias:

First, if you look at the data to be fair to public policymakers, it is not that there are no jobs, it is just that our young people are desiring for desk jobs, right? Second, in Bhutan, unemployment is the rhetoric of mismatch. Now, if you go to the next level of analysis and look at the current realities, a lot of young people have taken on construction jobs now, because wages are better. And one of the reasons young people don't take up construction jobs, in my view, there are two reasons: One is, the white-collar bias we instil in kids from a very young age. If you look at the Class five and class six social studies textbook, you will see that children are taught what kind of Kabney [Scarf] a Gup [Local leader] wears, a Lyonpo [Minister] wears, but they don't teach anything about plumbers, electricians and all that. So, bias we have culturally and educationally. Secondly, you and I know, Bhutanese work in New York, and Australia don't have a second thought about cleaning jobs, why? Because wages are good. And one of the reasons is in our country, easy access to imported labourers have suppressed the wages. So, a labour market that has had access to cheap and unlimited supply of imported labour has suppressed wages.

Youth in Bhutan are defined as persons aged between 14-24 years, and constitute about 20% of the population (National Statistics Bureau, 2022b). The most prominent factors of youth unemployment in Bhutan are the mismatch of supply and demand of skills, followed by the youth's preference for office jobs over physical and manual labour, and limited absorption capacity of the white collar job market (Asian Development Bank (ADB), 2018). An inferential analysis on determinants of youth unemployment in Bhutan shows that the youths who prefer civil service are 21 times more likely to be employed compared to those who prefer the private sector. In contrast, youths with skills training are 45% less likely to remain unemployed. Close to what the experts said, studies both from Bhutan (National Statistics Bureau, 2022b) and elsewhere (Isengard, 2003) show that the level of employment depends on whether someone has a vocational education, and that occupational skills for a specific vocation carries more weight than school education.

6.2.3 Private Sector Growth to Generate Jobs.

A dominant subject of discourse was that the government cannot create jobs, and it is the private sector that can create jobs. Therefore, the government must create conducive policies to promote the private sector. The experts believed that too much focus on GNH is limiting the growth and development of private sectors in Bhutan. Expert participant Hon'ble Dr. Passang said:

> We also should understand that GNH should not limit the private sector growth. We are starting to (mis)understand that private sector growth is not GNH friendly. I think that is going to be a major policy mistake from us. At the moment, there is not much support to the private sector, because they think that our development philosophy is GNH, and all our resources should belong to the state and the state should be the main distributor. And that if we develop the private sector, rich will get richer and there will be inequality, inequality will breed social problems, and social problem will not achieve happiness. These arguments are very flawed. I think we are riding on flawed arguments to defend GNH, so, that is going to be a problem. So, now, I have always been arguing that bureaucracy consumes rather than produces, private sector produces and consumes as well. So, if we do not make our private sector vibrant, we will have an increasing number of people leaving Bhutan. And there will occur a time where our best of the best brains leave the country, then we will actually face a chronic problem called brain drain. If we face this, there will be no creativity, no innovation, and no passion, and no growth, then I do not know how we are going to achieve happiness without all these elements.

Expert participant Dr. Sonam supported the idea of private sector development to create more jobs, as there is limited scope to expand jobs in civil service. Thus, the expert said *"whereas civil and corporate sectors have a limited capacity to absorb all those youth. The only option is to enhance the private sectors, so surplus job market candidates can be absorbed."* While most participants expressed their wishes to enhance private sector growth to create more jobs, expert participant Dr. Karma reasoned out in details why private sector development is a choice:

> First, Bhutan's economy so far has been driven by the state, it is a state driven economy. Can we sustain it like this? No, we cannot. There is no way we can keep Bhutan and our economy growing, purely being driven by the state. There is a school of thought in Bhutan which argues that the big companies should be all public, that the State-Owned Enterprises (SOEs) should be the main businesses and so forth. It is a socialist way of thinking, and ideally that would be wonderful. But as a Buddhist cultural scholar, I don't really believe that. Now you look at the communist systems, how they created communes and they all failed, because everybody's welfare or everybody's asset is nobody's welfare or nobody's asset, and then there is a tragedy of commons, so I am less of a socialist in that respect. The choice for us today is a responsible ethical capitalism, a capitalism driven by Buddhist economics. So my point is, Bhutan's economic development will not go very far, if we just keep relying on the state. We have that terrible dependency mindset and people are not contributing to nation building. There are so many state-owned enterprises coming into the area where the private sector can do very well. So if we don't promote the private sector, we

will not create jobs. Otherwise, we will end up sending young people to the Middle East or Australia or Japan or wherever, even 15 years down the line. And imagine the kind of cultural and political consequences that will have. These will certainly bring unintended or unforeseen cultural friction within the country.

As evident from the discussion above, there is an inherent tension between GNH narrative and private sector growth among policy architects in Bhutan. The expert participants while stressing on the need to comply with GNH philosophy of balanced socio-economic development, there are arguments that private sector growth would generate jobs and address unemployment issues and boost the overall economy. This tension is further discussed in Chapter Seven.

6.2.4 Lack of Systemic Coordination

Lack of systemic coordination is a constant issue that emerged from the interviews across all themes. Expert participant PolicyL2 pointed out a detailed systemic failure with regard to unemployment issues:

> The major issue especially in terms of creation of job and opportunities for the people, is the level of coordination among the stakeholders. For instance, the job creation mandate is given to the Ministry of Labour, and they are not fundamentally involved in the economy. What they do is they enact labour policies, and train people, but they don't have a means to create jobs. And for instance, this is something that is with Minister of Economic Affairs, who is actually the custodian of the economy, but they don't have resources to do that. The resources are with the Minister of Finance as we collect the national revenue. And what the Ministry of Finance does is we can actually put in resources, but the planning has to come from GNHC, and when they plan it, they plan it based on economic fundamentals, but they forget to review and look at indicators, especially like, for instance, the unemployment, economic growth, the level of job that needs to be created. I would say it is very superfluous, and that is the level of issue that we are tackling with.

The expert participants echoed His Majesty's Kasho on how inefficient the coordination system is and cited various examples. The most relevant and powerful example is the one cited above, coming from a senior official in the Ministry of Finance. Other examples were how the government departments work in silos, duplicating mandates, and not communicating their services to the people.

6.2.5 Policy Recommendations

Expert participants suggested numerous policy options and programme interventions in response to government performance in creating jobs, which are listed in Table 16 below:

Issues	Policy Options
Private sector growth to enhance job creation	Strategies to provide financial incentives such as fiscal incentives, subsidies, and support to enhance the private sector for employment creation and promotion. Large-scale provision must be made in terms of major incentives or subsidies from the government (Hon'ble Dr. Passang and Hon'ble Nima). Developing job opportunities, which would be mainly through non-governmental avenues, private sectors and CSOs. The policies that re implemented should be in line with more responsible ethical capitalism, not a purely exploitative, irresponsible, purely profit driven capitalism but rather a capitalism driven by Buddhist economics (Dr. Karma)
Vocational education	Ensure that the young people take up vocational training very early on in their lives (Hon'ble Dr. Passang); Infuse vocational curriculum in high schools (Most experts)
Education	A policy translation, to orient the whole economy towards emerging jobs. For example, a forecast of what professions may turn obsolete, and what may be the areas that soft skills are required in the emerging job market because of artificial intelligence, and technological advancements (Sangay); A strategy to narrow the gap between labour force skills, educational qualifications, and the demand from the employment sectors. The government needs to prioritise the educational skills requirement of the graduates who seek employment in the job market. The government should develop systems to integrate changing scenarios in the tertiary education system or provide additional skill enhancement programmes after graduation (Dr. Sonam); What is important is to create awareness, educate people on gender, promote participation, and enhance access to economic opportunities (Dr. Tshering)
Systemic Coordination	A coordinated, consolidated, systemic approach needs to be built in (PI2). The level of coordination needs to be there within the government agencies to ensure that there is a wholesome government approach in terms of building the skills, enhancing the skills and creating the job that needs to be created for the society and then bringing the livelihood of the people (PolicyL2)
Promote blue-collar jobs	Make technical and vocational skills relevant and important. Education and awareness campaign on the importance of blue-collar jobs and remove white-collar job biases. Blue collar jobs must be well remunerated, provide upskilling programmess.
IT enabled jobs	Create enabling conditions where there is the possibility for innovation, creativity, and where Bhutanese can even strive to be at par with the international market in different economies. Specifically in IT where there is no political boundary. The government should create enabling

conditions and environment in IT, so our youth can create jobs themselves (Hon'ble Karma)

6.3 Government Performance Management

The expert participants briefly mentioned the Government Performance Management Division (GPMD) which was instituted by the government in December 2013. This office plans, evaluates, reviews and implements the Annual Performance Agreement (APA) to inculcate a performance-based culture at all levels of the government. The purpose of the office was to make the Ministries/Autonomous agencies/ and District functionaries fully responsible for driving implementation and delivering results against annual priorities; and to provide an objective and fair basis for overall government performance at the end of the year (Government Performance Management Division (GPMD), 2023). Of the many expert participants who shared concerns about the government performance, some expert participants who were directly involved with the GPMD are discussed here.

An expert participant (PI1) who worked as the focal APA official in one of the ten government ministries, who was the implementer of Annual Performance Agreement, said:

> I agree that the general perception is that civil servants and public servants as a whole are underperforming. We have a very high ratio of civil and public servants to the general population. But if you look at the service delivery systems, and the end output of the civil and public servants, then I would say it is not commensurate with the ratio that we have.

According to the latest Royal Civil Service statistics (Royal Civil Service Commission., 2022) there are 30,194 civil servants making the ratio of civil servants to population of 1:25. The ratio increases to 1:7 when the entire population of public servants, that includes the Royal Insurance Corporation of Bhutan, Druk Holdings and Investments, Bank of Bhutan etc, and other State-Owned Enterprises and government undertakings are included. Which means for every seven Bhutanese there is a public servant. The expert participant pointed out that one public servant catering to seven citizens should be doing excellent service, but sadly that is not happening. The expert cited the following statistics to support his argument:

> Now I would also want to inform you that, since 2014, we started that government performance management systems (GPMS), and all government agencies and public finance institutions have been signing Annual Performance Appraisal with the Prime Minister and the Ministers concerned. I would like to put it on record since 2014 till 2020, all the agencies have achieved above 90%, so all agencies have actually achieved excellent. But has this achievement translated in the ground reality? No. When we did the assessment of 11th Five Year Plan, 35% of the national key result areas were not achieved. Institutions have in paper

achieved excellent, while on the ground 35% of our national key result areas have not been achieved. And if you drive it down to the sectoral key result areas the results are even stark, it even goes to 50%. So, there is something wrong, so how do we improve it?

What is emerging from this data is that government performance measured through APA of the ministries and agencies have an average rating of 90% (excellent), however, when the national key result areas and sectoral key result areas were assessed, it showed 35% and 50% not achieved respectively.

The APA is signed between Prime Minister and Ministers, heads of autonomous agencies and District Magistrates, and the signing is then cascaded down the management hierarchy of the respective agencies to ensure devolved responsibility and accountability for the results. In other words, it cascades down from the Prime Minister to the individual staff operating at the grassroot levels. The targets were derived from the approved Five-Year Plan (Government Performance Management Division (GPMD), 2023). The larger question is how do the achievement results differ on paper and on the ground? PI1 explained the reasons as follows:

Two reasons, one the unintended results of democracy. For example, the public servants in the ministries are supposed to be under the Secretary, but because there is a political master in the ministry, we end up answering to them, and they dictate the whole agenda. Now, the separation of political masters from the bureaucrats must be followed strictly. The agenda for one year or five years has to be set by the Government Secretary. Because I have been working with the government performance management system for so long, I feel the onus of setting one-year targets or five-year targets has to fall on the Secretary of the respective Ministries. The other reason why many Ministries have achieved excellent [above 90%] is because they started targeting very achievable targets. And that is because their secretaries and ministers were not being responsible for setting individual targets, and if you leave it to the bureaucrats, who will want to set ambitious targets? So, these are the major issues that we have in the government performance.

This research reached out to the head of GPMD to discuss the real issues, challenges, and opportunities of the government performance measurements put in place. For instance, expert participant PI2, who works as a policy implementer said:

The idea is to give individuals the freedom and flexibility and the ownership to honestly prepare their annual targets, and since it is linked with their own performance-based promotion in the Royal Civil Service Commission, the intention was that the civil servants will take on some challenging targets. It is like a double-edged sword. These are intentionally well-made to improve your targets and achievements. But at the same time, I think you can make it to your own advantage and lower your targets so that it is easily achievable, easily doable without even working too hard. So perhaps, these are the two

things why I think, it did not really garner what it was intended for. In my personal opinion, why it couldn't achieve the intended objectives, perhaps I think we left the setting of targets, and bringing out the agreement to the agencies themselves.

When asked on how to improve the system, the expert participant PI2 said:

Prime Minister is literally taking this on board chairing all these meetings. These sorts of exercises have been going on in full swing, whereby the Prime Minister himself has been meeting with the agencies directly, and also the finance ministry is on board. This is one gateway, how this GPMS might improve. Unlike in the past where we have 101 activities, now I think we cater down to only few major ones, where the Prime Minister wants to keep track which is very important for agencies to deliver. The idea is to have about 10 to 15 targets which are very critical, which are like small wheels which will turn the big wheels, without which the other services cannot move through. This might bring about some changes, especially at the full attention of the government and Prime Minister himself. And like I said, if the target is being set by the government, or perhaps an expert body, for agencies to achieve it, that itself is challenging, and will be successful.

Several expert participants echoed that the intention for instituting the GPMS was very much apt and right, and it was tried and tested. These performance agreements were taken straight from the plan documents, which the government has already approved, and funds have been committed. A senior leadership in the government policy leadership (PolicyL4) said *"19 years of career in the civil service, I still haven't figured out what is it that we really need to do if we need to have an optimally functioning civil service as well as government agencies."* The expert participants PI1, PI2, and PolicyL4 all echoed His Majesty's concerns on effective service delivery. His Majesty has always cautioned that Bhutan should be able to take advantage of its smallness, by doing things quickly, and by ensuring that each civil servant in Bhutan be worth 100 civil servants elsewhere, saying "*what we lack in numbers, we must make up in talents.*"

Most experts believe that services such as reducing the gap between rich and poor, and creating jobs are limited to civil servants under the executive arm of the government. But ultimately, governance involves a lot of other arms of the government. Like the Judiciary (discipline oriented), the Legislative (direction oriented), and the Media (watchdog), and that the real progress is dependent on the executive arm of the government. As the expert participant PolicyL4 said *"so ultimately, for us to be performing well, I think all of these arms need to work together as one."* However, transforming the civil service sector is a very long journey everywhere.

6.4 Conclusion

Two issues that dominate the discussion on why the people of Bhutan have rated insufficiency in government performance are the government's poor performance in "reducing the gap between rich and poor," and "creating jobs." About 28 expert participants engaged in extensive discussion and

shared their experiences as politicians, policy makers, policy implementers, and researchers. Across these diverse backgrounds, the unanimous perception was that this insufficiency has an uncomfortable synergy with the principles of Gross National Happiness and poses particular challenges in rural communities where many people live and in urban settings where planning and service provision cannot keep up with the influx of newcomers.

One policy intervention, looking at it from the perspective of the rural urban divide, and disparity in wealth and income, is to bring a major boost to rural prosperity, and urban wellbeing. One of the expert participants phrased it as, *a vision for "urban-wellbeing," and "rural-prosperity"* where the farmers feed the urban dwellers, and whatever little money the urban dwellers have goes back to the farmers. This could be an example of, a political economic policy that Bhutan experiences urban wellbeing and rural prosperity. Bhutan must have clear policies to bridge the rural urban gap in terms of growth opportunities, and income generating opportunities. While in urban environments, a young person trying to make ends meet, and spending more than 60% of their income on rent is challenging. This inequality requires addressing with a little more sophistication. Solutions could consist of many things, such as affordable housing, and public housing, especially in the rapidly booming urban centres like Thimphu. The expert participants expressed their gratitude to His Majesty The King for initiating the Kidu programme. And through His Majesty's Kidu system, people have received land in the past. Since His Majesty's coming to the throne, the Kidu system has moved beyond land into supporting living allowances, education support, and even allowances to till the land.

The expert participants raised concerns regarding quality and access to education and attributed these concerns as one of the reasons behind income inequality in Bhutan. Although education is free, that initial step of access is still a problem. That is where again, His Majesty's Kidu programme intends to fill the gap. Urban schools are getting better infrastructure, and better teachers. Although there are schools everywhere, and with close to 100% Net Enrolment Rates, the difference will come in terms of the quality of the education, both in terms of the teaching, and infrastructure. While all teachers must pass the Royal Civil Service Examinations after the successful completion of their teaching degrees, the high performing teachers usually opt to teach in urban schools. That is where the government needs to do more to reduce any discrepancy between the two. The experts highly recommended that the National Education Policy must be approved without further delay.

The current government's slogan is, "narrowing the gap." Similar to the UN slogan, which is," leaving no one behind." Bhutan's Poverty Assessment Report in 2017 found that 20% of the rich people consume 6.8 times more than 20% of the bottom half of the poor people. So, this is the stark difference in a GNH country. The Gini coefficient has also been increasing since 2007. In

2007 it was 0.35, now it is hovering somewhere at 0.40. So, income inequality is 50:50. Several expert participants said, inequality is totally against the principle of GNH.

The other issue which alarmed participants is job creation. Bhutan has a very young population, the median age is around 23. That means at least 50% of Bhutan's population is below the age of 25. Thus, the youth make up bulk of the population in Bhutan's population demographics. However, it is concerning that 28.6% of youth are unemployed, and more concerning is the large number of university graduates who are unemployed. To this the experts cited a mismatch between skills and jobs, and a white-collar job preference as social impediments. Experts also suggested drawing up a future focused job strategic plan that includes steps such as introducing a technical and vocational friendly curriculum in the schools; education on the importance of technical and blue-collar jobs; and a focus on IT enabled fluid jobs. In addition, participants were proponents of taking an outward view to better understand how regional economic powers like China, India, and ASEAN underwent economic development and what kind of jobs might emerge, if Bhutan were to be aligned with other economies of the world.

The next step is to determine what changes are required in the Bhutanese education system. What kind of skills are to be built? And unless such exercises are executed now, maybe 20 years from now, when the opportunity emerges, Bhutan will still be thinking "if that preparation and knowledge building had begun 20 years ago." The next chapter, which is the second of the findings chapter contributes to answering the research sub question on practical and policy challenges in maximising GNH. As it emerged from the expert interview data, it uncovers GNH education, among others.

Chapter 7: Public Administration: Practical and Policy Challenges in Achieving GNH

This is the second of the three thematic chapters under the findings section of the thesis. These three findings' chapters are sequentially arranged as these chapters attempt to create a logical flow for addressing the research questions. The previous chapter (Chapter Six) discussed insufficiency in Government Performance, and the policy options thereof. This chapter (Chapter Seven) details participant responses on practical and policy challenges and barriers to maximizing GNH. The next chapter (Chapter Eight) delves into the cause and conditions of Bhutanese Democracy in implementing GNH and offers perspectives of the various expert groups into the nexus and tensions between Gross National Happiness (GNH), Sustainable Development Goals (SDG), and Gross Domestic Product (GDP) in maximizing GNH.

This chapter focuses on the key findings on one of the themes, 'challenges in maximising GNH' that emerged from the interview with policy experts and outlines the key practical and policy challenges and barriers in implementing GNH as has emerged from the data. The several factors contributing to the challenges in achieving GNH, are broadly categorised into practical challenges, and policy challenges, as this emerges significantly in the expert interviews, and contributes towards answering the research question on impediments to maximising GNH. The challenges and barriers in achieving GNH are vast: starting with Bhutan's economy being hugely dependent on imports; rising youth unemployment; and the substantial dependence of government funding on donors and aid. While these are broadly macro-economic issues, these issues influence the policies and programmes that enhances GNH. In this chapter I discuss the key practical and policy challenges in maximising sufficiency in GNH.

The key issues discussed by the expert participants were, framing policy; implementing policy; hierarchical structure of governance; and GNH education among others. These are broadly public administration issues. The significance of public administration in modern society was highlighted by Corson and Harris (1963), who explained its position as follows:

> We live in an administrative age. The food we eat, the clothes we wear, the goods we buy, the streets and highways on which we travel, the automobiles in which we ride, and the many services we enjoy—education, medical care, entertainment, reaction, protection of our lives and property, and many others, are made possible by administration. (p.1)

Public administration plays a crucial role in national development around the world. An important feature of contemporary society is the omnipresence of government in the daily lives of its citizens. Even as we discuss GNH, good governance is one of the four pillars of GNH. The other three pillars are sustainable socio-economic development; conservation and promotion of a vibrant culture; environmental protection; under the framework of good governance. As discussed in detail in (Chapter Two) good-governance is also one of the nine domains of GNH, and this thesis aptly

underpins government performance which is an indicator under good-governance. Therefore, it is pertinent to discuss the policy and practical challenges under the theme public administration.

7.1 Practical Challenges in Achieving GNH.

The expert participants claimed that, while Bhutan is increasingly engaging in seminars, debates, and discourse on happiness, there is also an increasing number of socio-economic problems that affect the sufficiency level of happiness. As a group, the expert participants see factors such as the need for GNH education to the general people; competing ideas and vested interests' groups; the absence of citizen driven economy; and the hierarchical structure of governance, as practical challenges and barriers to maximising GNH. These factors are discussed in detail below.

7.1.1 GNH Education

There are several aspects to GNH education. Three mistaken notions govern the discourse with the expert participants: first, the wrong notion that everything is perfect in Bhutan with GNH; second, that GNH is operating mostly at academic and policy level; and third, that there is a need to have a common narrative of GNH.

The experts unanimously agreed that GNH was adopted as the vehicle to achieve the goodness of human beings and to bring about the welfare of the people by adding value to the quality of life. Expert Hon'ble Dr. Passang said *"Bhutan is the only country in the world that has made the consented, the concerted national goal as happiness, and that is what differentiates Bhutan from the rest."* The experts also added that GNH has become a global phenomenon and Bhutan is associated with GNH in the global perspective. Against this background, experts however shared their concerns about the spread of the mistaken notion that Bhutan is the happiest country in the world and all Bhutanese are smiling irrespective of their problems. This is not always true. Expert Hon'ble Dr. Passang commented *"I think that is a little overstretched by the researchers who are briefly interested in Bhutan and who were briefly in Bhutan."* He further added that *"Bhutan as a country, as an economy, as a society, and as a member of global community, shares the concerns and problems of any other developing economy."*

Experts shared concerns about misrepresenting and misunderstanding of GNH by the general population both within Bhutan and observers outside. Expert Hon'ble Dr. Passang pointed out that *"GNH as a concept or a development paradigm is highly intellectually academic. So, letting people and advocating to let people understand what Gross National Happiness is all about will remain a challenge for some time to come."* Likewise, Sangay said *"when we talk about GNH, oftentimes, a lot of people talk about GNH hovering above at the levels of intellectuals, and not really in terms of implementation and operationalisation."* There is an indication that GNH is operationalising more at academic and policy level and not much at the ground level. Sangay further added that *"I think this is also based on the assumption of the general opinion that actually very little has been discussed, other than expert panel groups, high level committee meetings, and perhaps at head of government*

level announcements and statements". The experts highly commended this kind of research to see someone actually reach out to ordinary Bhutanese and see really, how it influences them, how it affects them, and what they believe.

Expert participant Dechen said:

> I think there needs to be a common understanding, or at least, that discourse on what GNH actually means at different tiers of governance as well as for different kind of sections of the people. Even in Bhutan as I have read somewhere else, particularly those rural folks who did not attend formal education aren't aware of what Gyalyong Gakid-pelzom (GNH) really meant. My first point is we need to have that understanding. Of course, there could be variation, but then there should be a general kind of understanding of what GNH actually is. To achieve this, we must introduce GNH education to the population at large.

The expert Aum Tandin, who works with the GNH Commission said *"the first and biggest challenge would be in terms of a common narrative of GNH."* The expert discussed how Bhutanese comment about GNH on social media. While some support the government initiatives and GNH, others critique the way the government responds or supports GNH:

> I am not a very active person on social media, but I do follow, and go through comments by people. Everybody has a different understanding/interpretation of gross national happiness; we have supporters as well as critics. I think, the supporters are the ones who probably better understand GNH, probably those who have exposure on the GNH discourse. I am not undermining others on their knowledge on GNH, however the need for a very Bhutanese narrative on what GNH means may not have been communicated well.

The first issue, according to the expert, concerns individual happiness versus collective happiness. The focus of GNH, and that of Government creating happiness is on 'collective happiness'. The government provides targeted programmes to improve the lives of those who are really downtrodden. The biggest challenge is that people tend to think that even if somebody is unhappy, then they blame the government. The expert clarified *"I might sound defensive because I work in the government, and it resonates with people like us because policymakers like me must think of the need of a common GNH narrative."* The experts referred to the Constitution which states that the role of government is to create happiness for its people, through putting in place the right policy measures or creating a conducive environment. For instance, in Bhutan, people have access to free health and education services. The second issue, according to the experts, is quality versus access. They believe that in over six decades of the planned development, the government has focused on trying to improve access (health, education, support services), and this is what the government has achieved thus far. Now Bhutan has reached a stage where people talk about quality.

Close to what the experts said, the policy documents stated that the government's effort has always been to actually ensure that services are important, especially because it places high emphasis on happiness, rather than GDP (Centre for Bhutan and GNH Studies (CBS), 2016; Royal Government of Bhutan, 2008). The narrative at the policy level states very clearly that GDP should be a means to achieve happiness for all its people, and not just an end in itself. And 'happiness' in

the context of GNH should be looked at as a collective form of happiness. Because at an individual level, one may be happy right now, but this could change any moment. Almost all the expert participants referred to His Majesty the King, Jigme Khesar Namgyel Wangchuck, who stated that "GNH is development with values." The expert participant Aum Tandin also said "*But perhaps, having spoken about the challenges in terms of narratives, I think this is where, as a government, and particularly for think tanks like CBS, could do more in terms of taking out this narrative or bringing out a narrative.*" Most of the expert participants recommended communicating and educating the definition of GNH to a wider audience, so that everybody gets to understand the common Bhutanese narrative on GNH, instead of confining discourses on GNH only to a certain group of people from the civil society or from the government or from international communities. I asked the expert participants what their narrative of GNH was? Their responses are listed ad verbatim in Table 17 below.

Table 17: Expert participant's definition of GNH.

Expert	How they define GNH
Hon'ble Dr. Passang	It is a development paradigm that seeks to strike a chord of equilibrium in the pursuit of material and non-material well-being, primarily spiritual well-being anchored on the fundamentals of true organic values of the human-core.
Sangay	As a citizen, I look to GNH as a means of engagement in policy discussion with the Government, feeling assured that it is within this broader framework that development should take place in the country. It would be difficult for any government to transgress outside it and in that sense, it provides a guidance with which to engage and assess progress. I also realise that the nuances within this framework will undergo changes from time to time, to reflect changing priorities in sectors and subsectors. GNH to me in the simplest of terms would mean education and public health care systems I can rely on and be proud of. Where public service delivery is most efficient, and the rule of law is central and upheld.
Dr. Sonam	GNH is a balanced approach to development that fulfils the human aspiration of economic growth without undermining the social and environmental aspects of wellbeing and happiness.
Dechen	Gross National Happiness is the stated national goal of Bhutan whereby it seeks balance between material needs with spiritual needs. Touted as an alternative to the conventional material focus GDP model, it emphasises values and traditions, and ecological conservation.
PI1	GNH for me is a symbiotic existence of the factors that are necessary for meaningful life but not limited only to human beings. It is about

finding a balance between the four pillars of GNH and not letting some factor, for example economic growth, take primacy in our pursuit of life. GNH is less about pursuing flitting momentary pleasures rather it's about pursuing the true essence of happiness in life. GNH is a philosophy founded on the fundamental need of all human beings- the need to be happy. Being cognisant that happiness is not just a derivative of material need of the body, but also of emotional and spiritual needs of the mind, the philosophy offers a holistic realm within which the latter is also given equal attention.

PI2	The overarching guiding developmental philosophy which sets the tone and pathway for our developmental activities and our national priorities.
Aum Tandin	GNH is development with values
PolicyL1	GNH is being able to balance between work, family and leisure time. To be able to balance between materialism and spiritualism.
Aum Kunzang	GNH in my own words is the holistic approach to development that is caring and sustainable and that which is sensitive to peoples' needs and interests. It means deriving one's own satisfaction and happiness through making others' happy and contented.
PolicyL4	GNH is the timeless goal.
Tharchen	GNH is an inclusive wellbeing of social, economic, psychological and surrounding of an individual.
Gopilal	GNH comes in as an idea that can really complement the pursuit of sustainable development goals.
Dr. Phuntsho	GNH is set of values that guide the developments in Bhutan. These values comprise of equity and inclusivity, intergenerational and future focussed, and spiritualism in terms of respecting people's way of life. Therefore, GNH is a world view of all Bhutanese.
PM1	GNH, provides the clarity of what it means to be a public servant, what it means to be an individual human being, and what it means to be a parent. Primarily the need to pursue everything in moderation, and the need to balance ideas and thoughts.
Hon'ble Nima	GNH for me is attainment of long-term happiness that is generated through both physical and mental comforts that actually are affected by various factors such as spiritual, socioeconomic developments, provision and easy access to required facilities and services, good community life, peaceful environment, etc
Hon'ble Tashi	The features of GNH are sustainability, the environmental consciousness, culture and inclusive governance. this is a development philosophy, development with values

Hon'ble Dawa	GNH for me is to see people around me are happy. If you contribute to making other people happy and also be able to facilitate, in my own humble ways, people to pursue happiness, this gives me bigger joy and other achievements. GNH for a layman like me is nothing greater than gaining happiness out of spreading happiness to those who seek your contributions in pursuit of the same.
Hon'ble Karma	GNH is a deliberate national belief system to maximise and sustain collective and individual endeavours for wellbeing and pursuit of other aspirations.
His Excellency Dorji	GNH is a part of our life. So, whether you are a common citizen or a politician of whatever level, we breathe and live GNH.
Dasho Neten	GNH is development with values
Aum Lily	GNH would mean collective happiness. Collective happiness would be possible with greater equality between rural and urban, men and women, rich and poor.
PoiticalL4	Development with values, towards a happy humanity
Dr. Lhawang	Development with values, translating multi-dimensional variables. And the prominence among variables must change as Bhutan takes on different development stages.
Dr. Tshering	GNH to my understanding is a balanced combination of both physical wellbeing and mental happiness not just for an individual but for a whole nation in terms of all aspects of social context.
Dr. Kinga	GNH is a holistic approach to development and not just the physical, but the mental development, emotional development, all of that. So, it allows you to think long term as well be present today in a very Buddhist sense. Think long term, but also be present.
Dr. Karma	GNH is balancing multi-dimensional variables towards development with values.

Across 28 expert participants of diverse background, the most dominant narrative is that 'GNH is development with values.' A national belief system that maximises collective wellbeing through sustainable policy, enabling cultural and environmental preservation, socio-economic development, and work-life balance approach to development. Therefore, GNH is a timeless vision, where fundamental elements of education and public health care systems are free, and public service delivery is most efficient, and the rule of law is central and upheld. GNH enables to think long term as well be present in a very Buddhist sense. GNH, provides the clarity of what it means to pursue everything in moderation, and the need to balance ideas and thoughts.

The expert participants discussed at length the tensions between philosophical understandings of GNH, the provisions of the Constitution, and the pressure put on law makers by wealthy investors to see their self interest in immediate terms. The experts referred to the Constitutional provisions on state policy, trade and finance, environment, culture, and fair market economy. They insisted that the idea to sustain GNH is for the Bhutanese legislators to understand the profound vision and the philosophy behind the Constitution. These Constitutional provisions provide legislative support to realise the vision of GNH which is precisely the idea of a just and harmonious society. Expert participant Dasho Kinga cited His Majesty's Royal Decree which states that there is competing commitments and short-term objectives. Hence pursuing that goal becomes important. Expert PM1, who is a member of parliament said:

> I think the whole idea has to be in understanding the profound vision and the philosophy behind the Constitution. To pursue and sustain the idea of GNH, people really need to understand and internalise the vision and the trust behind Bhutan's constitution. However, it is challenged by competition of various interest groups, and ideological forces while framing policies and laws. The Bhutanese constitution, if you notice, the idea is not that of a free market. It states that the state shall pursue fair market societies. All these ideas, show you that even the political economy directions given by the Constitution is towards a fairer society, a just society, a harmonious society.

The experts cited examples of the ongoing debates in parliament and in the Bhutanese policy domain regarding tourism policy, the mineral and mines policy, and the proposed amendment of the Local Government Act.

The tourism and the hotel industries have lobbied the legislators and policy makers to make tourism policy liberal and open, so that Bhutan will receive an increased influx of tourists, and that would benefit the tourism industry and hotel industries, and also the government through increased royalties paid by the booming tourism industry. However, the current tourism policy of "High Value, Low Volume" is based on the principles of GNH, and the policy makers must stick to this principle, echoed the experts. According to the Tourism Council of Bhutan [TCB] (Tourism Council of Bhutan., 2022) tourism policy in Bhutan is founded on the principle of sustainability. This means that tourism must be environmentally and ecologically friendly, socially and culturally accepted, and economically viable based on the tenets of GNH. To support that vision, the TCB and the government, in contrast to what the interest groups lobbied, increased the levy from US$ 65 per person per day to US$ 250 per person per day with effect from 23rd September 2022 when Bhutan formally opened to tourism after two years of restriction caused by the COVID-19 pandemic.

There is also a vested interest group who have lobbied the legislators to amend the Mineral and Mines Bill 2020, that favours the few rich owners of Minerals and Mines. Expert PM1 commented *"in the upcoming Parliament session, the big fight in Parliament is now on the minerals and mines. Who should own it? Should rich people continue to get richer at the expense of*

everybody else, or should it be nationalised?" In 2018 the National Law Review Task Force recommended that the Mineral and Mines ACT 1995 which was enacted prior to the adoption of the Constitution in 2008, must be harmonised and amended based on the provisions of the Constitution. While the Mineral and Mines Management Act 1995 gave mining rights to the private mining companies, the Constitutional provisions are as follows:

1. Article 1.12 "The rights over mineral resources, rivers, lakes and forests shall vest in the State and are properties of the state which shall be regulated by law." (Royal Government of Bhutan, 2008)

2. Article 9.7 "The State shall endeavour to develop and execute policies to minimise inequalities of income, concentration of wealth, and promote equitable distribution of public facilities among individuals and people living in different parts of the Kingdom." (Royal Government of Bhutan, 2008)

3. Article 5.4 "Parliament may enact environmental legislation to ensure sustainable use of natural resources and maintain intergenerational equity and reaffirm the sovereign rights of the State over its own biological resources." (Royal Government of Bhutan, 2008)

When the Mineral and Mines Bill was introduced for amendment in 2020, there were disputes between the two houses of the parliament (The National Council and the National Assembly). Therefore, a 12-member Joint Committee was formed to resolve the disputed provisions. The Joint Committee comprised of Members of Parliament from both National Council, the Ruling party and the Opposition party. The Joint committee presented their position in the parliament on 23rd June 2021. The main point of contention was twofold: Should the Mineral and Mines Bill 2020 be consistent with and uphold the Constitution? And should mineral wealth that belongs to the State benefit the government and the people of Bhutan or should the profits benefit a few wealthy individuals?

I followed the live discussion of the joint sitting of the parliament of Bhutan on 23rd June 2021 when the Mines and Minerals Bill 2020 was discussed. While the National Council members argued for nationalisation of all mines and minerals, the national Assembly members were in favour of nationalisation of strategic mines and leaving non-strategic mines open to the private sector. This Bill was viewed as extremely important, and the Parliament had allocated three days of discussion on the Bill. However, as the agenda was introduced, the Chairperson of the Joint Committee (A Member of Parliament of the Ruling Party) submitted that despite holding six rounds of meetings, the joint committee could not arrive at a consensus on the Bill, and thus recommended the Bill be deferred. The Members of the National Council argued against the constitutionality of deferring the Bill. However, within two hours of tense argument, the Speaker of the National Assembly deferred the Bill. This is an example of competition between various interest groups, and

ideological forces. Expert PM1 who is a member of parliament in the National Council of Bhutan said:

> In a democratic Bhutan, the political economy challenge we have now is the vested interest groups and the lobby groups that have a sway over the government of the day. Because democracy and politics is competition for votes, to compete for votes, people use money and Bhutan is no exception. The large mining Jindas (owners), provides support to a political party. Then, when the Ministers and MPs were elected to be the voices of the people, they start championing only the voices of the people who fund their parties, then it becomes quite difficult to realise whatever idea of GNH we have, whether it is for sustainable development, for a just and harmonious society, for environment conservation, for culture and traditions, because there are various competing interest groups, and all interest groups don't have the same ideological framework. So, at a broader political economy level, the idea of democratic competition provides some challenge because the issue depends on where, a person/they sit. So if you are a rich person who has over three decades in mining and living off mining resources, you would not want to really support GNH and the idea of a just and harmonious society, you want, you and your family to have continuous privileges of enjoying the properties of everybody else. So, at that level, that is there.

Another example the expert participants cited is the vested interests of some of the Members of Parliament themselves. I asked the experts participants about the proposed amendment of Local Government Act. To this, most participants reaffirmed the need to go by the provisions of the Constitution. Expert participant Hon'ble Tashi said:

> As of now, I am not sure what clauses they are planning to amend in the existing Local Government Act. But if it is of anything which will tighten the power of local government, I am not for it. We have to go by the principles of constitution and see what is given right now to the local governments, and the structure of the local governments. If the amendment is about finding ways for members of parliament to work together with the local government, then we really have to go back to the drawing board, that is the constitution.

In the excerpt, the expert interviewee noted that politicians compete for votes because democracy is competition, just like capitalism is about competition. Democracy is a competition in the market for votes, and rich people fund political parties even in Bhutan. According to Article 16 of the Constitution of the Kingdom of Bhutan (2008), the elections to Parliament shall be State financed and funds disbursed in a non-discriminatory manner, and in keeping with Section 16 of Article 22 and Section 7 of Article 23 to regulate these and any other expenditure related to campaigns (Royal Government of Bhutan, 2008). Both the political parties and the political candidates receives equal amount of funds from the state. The Public Election Fund Act of the Kingdom of Bhutan states that, 'no political party or a candidate shall solicit or resort to any form of fund raising for campaigning in an election to Parliament and Local Governments from private individuals or any agency' (Parliament of Bhutan., 2008b, p. 19). The Public Election Fund Act clearly mentions what activities are permissible and not permissible and regulates strictly. While the state regulates election activities and expenses, experts are of the view that political parties and politicians seek fund from supporters. Therefore, this must be further investigated. The conflict between Bhutanese democratic processes and the pursuit of GNH is explored in more depth in Chapter Eight.

7.1.3 Absence of Citizen Driven Economy (The Relative Strength of State Enterprise versus Private enterprise)

The experts consulted in this study believe that the current economic structure is a state driven economy rather than a citizen driven one. A lot of economic initiatives and policies are driven from the centre, meaning by the government. Expert participant Hon'ble Karma, who is a member of parliament said:

> The government is obligated to allocate budget for development projects. But the country is not a rich country, it is still a donor driven country. And the government is obligated to provide, and initiate activities that are in terms of enhancing amenities, facilities, roads, and infrastructure. But economic development per se', in terms of really getting down, where the rubber meets the road, job creation, and real economic activities are not per se citizen driven. If you look at what the government is doing, they look busy. They are busy doing what a government should do. But they are not doing enough so that they incentivise, they encourage, or even through carrot-and-stick allow or ask people to do things in terms of real wealth creation, real job creation, real information, and knowledge creation, which is not happening at the moment. And so that is the point, which is always bothering me. So if we allow or if we continue to do that, everything will be driven from the centre.

An example of the importance of the state was that during the COVID-19 pandemic, Bhutan was sustained by the revenue generated from hydropower projects, and hydropower projects are state run companies. The hydropower sector generated a revenue of Nu. 16.2 billion constituting 40.8 % of the total export and 12.69% of the total share of GDP in 2019 (Royal Monetary Authority, 2020; Tobden, 2023). A year later in 2020, during the COVID pandemic, while almost all key sectors of the Bhutanese economy contracted recording a growth of -10.08 which is 15.83 percentage drop from 2019, hydropower recorded accelerated growth of 25.18 percent in 2020 (National Statistics Bureau, 2021b). A common opinion among experts was that a robust economy drawing on both state and citizen enhances human development, because without that structure income and employment are affected, and thereby happiness and wellbeing.

To understand the current trends in citizen's engagement in economic activities, I looked at the Economic Census of Bhutan (2018), which reveals the economic organisation of the country. It shows that 60 percent of the business establishments are concentrated in 6 out of 20 dzongkhags (districts), and 64 percent are located in urban areas. In addition, the ratio of percentage of incidence of enterprise establishments in more than one location is extremely low (2 percent), whereas the economic organisation shows very large concentration in single establishment (98percent). Foreign Direct Investment (FDI) created a very small portion of the total number of establishments at 0.2 percent. It also reveals that the economic establishments are strongly concentrated in very few economic sectors. Bhutan is largely an agrarian society, meaning the economy of Bhutan is characterised by the predominance of people engaged in self-employment, particularly those working on their own land (National Statistics Bureau, 2021a). There are a total of 31,219 civil servants in Bhutan (Royal Civil Service Commission., 2022), and the total number

of employed persons outside the civil service including agriculture is 3,14562, out of the working age population (15 and above) of 489,732, and there are 151,356 accounting for 30.9% of economically inactive working age population (National Statistics Bureau, 2023a). The National Statistics Bureau's latest publication on sector-wise employment (National Statistics Bureau, 2023a) showed that the highest number of employed persons is in the agriculture sector (49.2%) followed by the service sector (36.6%), and the lowest number is in industry (14.1%).

These statistics reveal three critical points: Firstly, that the ratio of civil servants to the general population is 1 civil servant for every 13 Bhutanese. Further, the entire population of public servants which includes Bank of Bhutan Limited, Royal Insurance Corporation of Bhutan Limited, Druk Holdings and Investments and all other government undertakings. Here the ratio is 1:7, which means for every seven Bhutanese there is a public servant, which is very high, among the highest in the world. However, the GNH survey (2016) showed that the government performance is among the lowest of the 33 indicators. Expert PI1 commented that *"if you look at the service delivery systems, if you look at the end output of the civil servants, then I would say it is not commensurate with the ratio that we have.*" Secondly, while the highest employed sectors are in agriculture and service sectors, the measurable share of contribution to GDP is lower, and there is only a small percentage of employed people in higher contributing sectors such as industries. This supports the experts' view that the relative strength of private enterprise is much lower; Thirdly, there is a large proportion of economically inactive population which includes full-time students, fulltime house makers, the chronically ill, trainees, retired, and persons with disability, and what is unique to Bhutan is the large number of monks and nuns. There are about 10,000 monks and nuns registered with the Zhung Dratshang (Central Monastic Body) which is an autonomous institution financed by the Royal government of Bhutan (Dorji, 2020). While monks and nuns are categorised under economically inactive population (National Statistics Bureau, 2023a), they play a vital role in providing spiritual and nation building. The central monastic body as an institution for monastic education imparts human values and spiritual progress and was the only avenue to acquire education and scholarship until the introduction of modern education in the twentieth century (Tobden & Ham, 2022). Monastic education also provided a means for both the spiritual and the political systems to benefit each other and to serve the people better.

There are existing tensions between the private sector mine holdings and public interest, a large youth unemployment rate, unfocussed education, and a large import/export imbalance in Bhutan. As a developing country, Bhutan still receives high levels of global development money but there is concern amongst expert participants that this is not translating into sustainable job creation that might move Bhutan onto more solid economic footing. The expert participants believe

Bhutan must draw up a strategic plan to enhance and support private entrepreneurship to spread across the country.

7.1.4 Hierarchical Structure of Governance

The experts believed that the current structure of governance is hierarchical in nature and operation, which is a systematic issue, and there is also a need to change the mindset of the bureaucrats, which is the conceptual issue. Bhutan must address these issues to achieve higher levels of GNH. Expert Dr. Karma described the issue as follows:

> The whole sense of hierarchy, insignias, entitlements, dasho [The excellent one], the ɲikem [deserve double], these kinds of concepts come from the medieval governance structure. 'ɲikem,' basically means you deserve double entitlements, right. Basically, it gives this idea that you are entitled to twice of what other officials get. So, that kind of hierarchical mindset and practices continued, therefore the service deliver is far from satisfactory."

In addition to this, when Bhutan began the new administrative system, when the civil service cadre was structured with the institutionalisation of Five-Year Plans in 1960s, the only resources or support (including manpower) that Bhutan could mobilise was from India (Tobden & Ham, 2022). This is evident as the earlier government officials were called "babus" the term for an Indian government official. Consequently, as expert Dr. Karma noted, *"we basically ended up relying on India for our early civil service and governance resources. And we ended up acquiring quite a lot of governance traits, which around that time were very unhealthy and counterproductive."*

Second, the idea of civil service, as servants to provide the service to the citizens, is yet to dawn in the minds of the bureaucrats. His Majesty's Kasho (Kasho, 2021a) was pointing to exactly that. It stated that there is an inherent gap between the values and our own behaviour both at an individual and a collective level, and a gap between policy articulation and ground level realities. Expert participant Dasho Kinga said *"it is fascinating that the Ryal Kasho have gone very insightful, and in-depth level of pointing out these challenges and gaps."* Expert Dr. Karma said the attitude and the terminology used in the Bhutanese civil service system itself still bears the connotation and mindset of the 20th century. The mindset is that civil servants are serving the government, not the people. The expert argued that must have been suitable for the 20th Century administration to keep law and order, and to have social harmony:

> 20th century mindset was one where the Zhung-yoeps [government servants] were not seen as *yoeps[Servants]*, that was the problem. And even if they were seen as the *yoeps*, they were seen as the *yoeps* of the Zhung [government] not of the mi-ser [people], not of the public. So they were quite happy to be sycophantic ingratiating servants of the power in place, but not servants of the public. But the 21st century is a very different scenario, we are in a heavily globalised world, young people have exposure to all kinds of things just through their smartphones. There is so much sense of egalitarianism and equitable development, and also not just of that, but entitlements. People think that they have the right as citizens, and the freedom they deserve. They know how the government is actually funded through people's taxes, or even if it is a foreign aid, they know it is given to the people not to the government. So, when people are becoming conscious and also responsible in that manner,

then the government is held accountable. So the public servants are now being held accountable by the public. And for that, we need a totally different shift in the mindset of the civil servants and the bureaucrats. So on that alone, I think there has to be cultural shift.

Even today, Bhutan uses the term Civil Service (Royal Civil Service Commission (Royal Civil Service Commission., 2022) whereas New Zealand and Australia use the term "Public Service Commission (Public Service Commission [PSC], 2022), and Australian Public Service [APS], respectively. Expert Dr. Karma added that "*we need a totally different shift in the mindset of the civil servants and the bureaucrats, I think there has to be cultural shift.*" Similarly, expert participant Dasho Kinga argued for the urgent need to change the mindset and question some of the old beliefs and values in the face of rapidly changing times. *"I think even some of the habits that we are consistently engaged in because of our tradition, are they conducive to safety protocol in a pandemic time?"* Factors that contributed to this hierarchical structure of governance, according to the experts are that Bhutan haven't moved away from the medieval court system of governance which was strictly hierarchical, and the stagnated elements of the system which Bhutan inherited from India.

7.2 Policy Challenges in Achieving GNH.

In addition to the practical challenges discussed above, there are several policy challenges in implementing and enhancing GNH. Experts cited a number of issues: Firstly what might be seen as a moral lapses like laziness, absence of ownership, lack of responsibility and complacency of the bureaucrats in implementing the policies; Second, there are too many policies passed; Third, the policies are not based on adequate research or concerns of the general public; Fourth, policies can be contradictory; Fifth, lack of proper commitment to the policies; Sixth, no follow through of the policies. These issues will be discussed here under the headings "conflicting policies", "inadequate consultative policy framing", "issues in policy implementation", "lack of research and data input for framing policies", and "restrictive and short-sighted policies."

7.2.1 Conflicting Policies

One of the pertinent issues in policy is the conflict between macro-economic objectives and social-economic development objectives. Most experts cited examples of the nexus and the tension between economic development policies and the GNH policy of environmental and cultural preservation. While economic independence is crucial for people's happiness and wellbeing, environmental restrictions, and stereotypical cultural norms and practices constrain economic development. Expert PI1 said:

> I can just tell you that the challenges we are faced with is that it is always about ecology versus the economic. Our GNH philosophy, for example, requires us to maintain sustainable environment, but yet the fact of the matter in current days is that economic growth is equally important. So, on one hand, we have pledged to be an economically progressive independent economy, but on the other hand we have also pledged that we will maintain our environment, we will preserve our culture, and in addition we have pledged carbon neutrality. So these are

some of the conflicting macroeconomic policies that we have adopted. Now, you will agree, and I think there is no risk in saying that economic independence is key to Bhutan's independence. Having relied on very few economies in the region, has made us susceptible to the whims and fancies of the neighbouring economies. So, I think it is very important that we pursue the economic independence and economic growth vigorously while also trying to balance the requirements of the GNH. So these are some of the challenges in see in the policy dimension

In the similar thought process expert Hon'ble Dawa said:

Certain pillars of GNH could be conflicting. For example, the pillars of GNH are conservation of environment, preservation of culture, social- economic development, and good governance. While we strive to conserve and preserve our environment and culture, we cannot forego economic development. But when we go for development, we definitely tend to make some impact on our environment. Now, if you keep conserving environment, and forgo development then we are not creating the enabling environment for the people to pursue happiness. Even if we look at culture, we have lots of cultural norms, which might actually impede the growth of economy, which might actually impede the growth of mental makeup of our people, because of stereotypical cultural norms that we have. So all these things would be conflicting in a way.

One particular example if the conflicting policies between the World Trade Organisation (WTO), Foreign Direct Investments (FDI), and our environmental policies. Thus, expert Sangay pointed out *"while our GNH policy screening has prevented Bhutan from joining WTO, our departments are promoting FDIs. But when seeking clearances in terms of approving businesses, the environmental guidelines are very stringent and often unyielding to investment, to promoting FDIs."*

As discussed in Chapter Two on the policy screening tool, all policies in Bhutan are screened through a GNH policy screening tool. The policy screening tool has nine domains and 22 variables, and the purpose of this policy is to approve GNH enhancing policies and projects and reject those that adversely affect the key determinants of GNH. Since the introduction of GNH policy screening, 12 policies have been approved for use by the cabinet in 2009 (Ura, 2015), and Bhutan decided not to join the WTO. The Economic Development Policy is not among those twelve approved policies but was approved after alignments with GNH policy. Therefore, I investigated further the provisions of the economic development policy to ascertain how responsive economic development policy has been in achieving GNH? Definitely, this policy has been developed in keeping with the GNH philosophy and focuses on the sectors where Bhutan has competitive advantage. There is not much emphasis on the manufacturing, polluting industries, and mining sectors. The few emphases in these sectors are about how to manage properly in keeping with the principles of environment conservation and how to reduce waste, and not on increasing the scope of these sectors. The question is, has the Economic Development Policy achieved GNH coherence? Has the Economic Development Policy achieved the intended results? A comprehensive analysis on the implementation of the EDP was undertaken in 2020 which found that only 20 policy provisions have been fully achieved out of the 252 provisions. A further 114 provisions are on track and 94 are at risk of not being achieved. Therefore, going strictly by the number of provisions that have been

implemented, the EDP has not been an effective tool for achieving the intended economic goal. The larger question is, has the Economic Development Policy which has rigorously filtered and passed the GNH screening tool achieved policy coherence with GNH? But does it enhance the happiness of the Bhutanese population? Not really, as most of its provisions are not achieved. Does that mean the policies are flawed? Where is the missing link? That leads to the next issue of policy translation and implementation as discussed below.

7.2.2 Issues in Policy Implementation

This section reveals the contextual statement about the nature of Bhutan's political environment and the creation of policy and the reluctance of officials to question policy and preference to pinpoint problems in implementation. Generally, the expert participants questioned how the bureaucrats understand, internalise, and implement GNH policies, because these bureaucrats are a part of policy making as well as policy implementation process. Experts also cited several issues with policy implementation such as; the laziness of the civil servants; absence of ownership and responsibility; complacency; policies not based on adequate research and lack of follow through of policies and cited the 'plastic ban' as an example of policy failure (PI2); lack of political will, lack of well-informed and ahead-of-time leadership, difficulty in bringing on board the stakeholders, absence of systematic review of policies (Aum Tandin); policies not responsive to new changes in terms of catching up with the new technologies especially in public service delivery (Gopilal); while availing services, public officials do not implement Standard Operating Procedures (SOP) which are scientific based, results based, deserving based. Rather it is based on who you know, everything is handing out, giving out, and helping out sort of system (Hon'ble Karma); The policies that make GNH coherent sometimes it negatively affects the policy implementation as the policy has different layers and becomes cumbersome (Dr. Lhawang).

As most of the experts indicated, the issues pointed out above result from poor implementation of policies, rather than flawed policies in Bhutan. While experts Dasho Neten and Aum Kunzang questioned the "human aspects" such as the inability of the bureaucrats to internalise policies, experts Hon'ble Dr. Passang, Dr. Sonam, and PI2 questioned the lack of institutional strategy. Expert participant Dasho Neten said Bhutan has wonderful policy statements, with the right view, and right insights, however there is a lack of internalisation.

> Our bureaucrats, who are part of policymaking as well as the implementers of the policies, are they able to understand? Bureaucrats have to internalize, and you have also been a bureaucrat yourself, what has been your experience, you ask that question to yourself. There are definitely few bureaucrats, the smart ones who are really committed who believe in GNH, who want to do so many things, but they feel suffocated.

Similarly, expert participant Hon'ble Dr. Passang agreed that Bhutan has the best policies, but the challenges remain in the implementation, rather weak implementation. To ensure that there are

sustainable means to achieve happiness, there has to be a proper strategy to implement the policies, and especially policies regarding the economy:

> Since you focus on political economy, I will make my arguments especially from the political economic point of view. Our economy is a public sector driven economy. Next day if the government shuts down, there is no economy in this country, because the private sector is very weak. And when there is no expenditure from the government's coffers, the economy is going to standstill. So unless we get the policies right, and the implementation strategies right, especially on the economy, I think the achievement of sustainable happiness will still be a big question. These are some of the practical policy questions that we are facing.

Expert participants Hon'ble Dr. Passang, Aum Kunzang, Hon'ble Karma, Dr. Tshering and several others, concurrently emphasized on revisiting economic policies and said:

> Our economy is a public sector driven economy, and if the public sector fails the economy will standstill and that will affect the happiness of the people. It is crucial that the public sector policy implementation must be revived to perfecting implementation. We must see through and provide viable help and assistance to the policy. Therefore, we must really aim for policy consolidation.

The policies in Bhutan are integrated with the national key objectives derived from the principles of GNH, and also adhere to the international key objectives of SDG. Expert Aum Kunzang said *"our policies adhere to national objectives and international conventions."* The policy making process is rigorous that must achieve the minimum threshold of the GNH policy screening tool, and that adds value. Expert Dr. Lhawang said "*any screening process that looks at multi-dimensional perspective, I think is a value addition to the policy process, rather than just one perspective.*" However, to achieve a greater level of happiness, the policies must be reviewed periodically. The bureaucrats and the leadership must internalise policies. There has to be a workable strategy to implement policies. Experts suggested that now is the time to focus and perfect the implementation of the policies. The experts cited the example of the "Plastic Ban Policy" which was well received both in the country as well as by international observers. However, this policy failed because of the issues stated above.

7.2.3 Inadequate Consultation on Policy Framing

Experts believe that some of the major issues are inadequate consultation and coordination among relevant stakeholders involved in planning and pursuing happiness. While all policies are guided by GNH principles, inclusiveness and diversity are important during the decision-making processes for a diversity of ideas and broader perspective, that includes study, evidence, analysis and consultation. Expert participant PolicyL2 said one of the major challenges within the government is the level of coordination among stakeholders that are involved in planning and pursuing happiness. Bhutan has lots of policies being approved or endorsed, but at the same time, if the resources are not there, then it becomes another level of issue.

> The last and the fundamental thing is that when it circulates from the central government to local government, and then ultimately to people, there is lot of filtrations that is being done. So therefore, one of the major issues that I see at the government level is the level of coordination in ensuring the pursuance of the national development philosophy. So I would say it is the level of coordination, that is one. And two the resources. And three, the most important thing is that the happiness is very subjective. What government visions and what the executives deliver and what people actually want, there is a huge gap in that. So these are the things that we need to iron it out over a period of time, and I am sure we will be doing it in next few years.

Similarly, expert participant Aum Lily narrated how the policies are not inclusive and are shaped by a few on top that includes parliamentarians or top government officials. An inclusive approach and diversity are important during the decision-making process to ensure diversity of ideas and a broader perspective. The expert cited examples of policies made by male dominated forums that lack the perspective and voices of women who represent half the population:

> Without diversity in decision making, it could result in unintended consequences and may even backfire on certain sections of the society. Further, policies made without adequate study, evidence, analysis, and consultation may also result in unintended consequences. For instance, the provision of six months maternity leave for women is intended to support and benefit women. But in the long run, this will do more harm than good as it will affect employment opportunities for women especially in technical and private sector. We need to take a more holistic approach to issues.

Encouraging diversity in decision making, engaging in public consultation, and involving experts would help identify issues and help develop appropriate interventions and policy options to address the challenges related to creating an enabling environment for people to pursue happiness. In the same token, expert participant Dr. Karma argued that the policies are made in silos and the government departments work with a territorial and compartmentalised mindset:

> One of the things that we again, point out very strongly is, at the moment, the public service section works in silos, in really terrible silos. A work that is done by one ministry is not known by the other, although they may be doing the same work. Ministries also sometimes have overlaps in terms of their mandates and responsibilities. There is quite a lot of duplication as a result. One thing that Bhutan could do much better to enhance the political economy to bring that higher GNH through more efficient governance and policy, is to have consultative policy framing. Right now, there is not sufficient consultation being done.

Experts also cited the example of the policy on *six months maternity leave* for women which was intended to support and benefit women, but over time, it was found that this policy was doing more harm than good as it affects employment opportunities for women especially in the technical and private sectors. This is the consequence of not consulting the private sector and the absence of government support to the private sector to share the cost of women taking six-months of maternity leave. Therefore, we must encourage more diversity in decision making, engage in public consultation, involve experts to be able to identify issues, and identify appropriate interventions and policy options to address the challenges related to creating an enabling environment for people to

pursue happiness. There needs to be a more holistic approach to issues that involves consultation with all stakeholders involved in policy making.

7.2.4 Lack of Research and Data Input for Framing Policies

All experts agreed that the policies are made with good intent but lack convincing evidence to justify and give clear evidence as to why a certain policy is needed in the first place. Secondly, based on that evidence, there have to be trajectory milestones for mid-term, short-term, and long-term goals. And thirdly, there has to be monitoring, evaluation, and review based on the initial target set on the evidence. Such monitoring might include questions, such as what are the achievements? What have been the challenges? And if there are things that have to changed, what is the evidence base which had to meet those challenges? Expert participant Sangay noted the following:

> without that evidence in public, we are not able to engage in constructive progressive dialogue with the government authorities, for that matter policy that could even be legislation in Parliament. For example, the Prime Minister in one of the sessions a year ago talked about how our public data is questionable. One very specific example he cited at the annual State of the Nation address where he says, in the northern part of Thimphu in a village called Kabisa, the annual statistics actually showed a couple of tons of green food production. While we know that area has not been cultivated for several years now. And I think that is also a simple example of the poor use of data and evidence.

This expert also cited examples of how Bhutan's school expansion policy was not based on demographic trends, as most schools in rural areas are losing population. Expert Aum Tandin argued that the *"approach to making government policies is undeniably that well researched and well analysed policy, which is missing."* Another issue addressed by expert participant Aum Kunzang was the use of information and evidence. Most times many policies and programmes are adopted without proper assessments into their implications, and as whether the policies are really needed:

> The interventions that we are carry out, we don't really deep dive into the issues to find out whether this is really needed. So the lack of information, accurate real time information, and again, this also boils down to the lack of capacities. I agree, there has been an improvement on the data front and we are not data hungry as before, but I still feel that, although we collect data, it is not put into proper use. Many times, we just do it for the sake of completing our performance targets, and documents just sit on the shelves without being referred to and made good use of.

PolicyL2 ascertained that research is at a nascent stage, and that there is lack of authentic empirical data for any policy decisions to be backed up with. Although efforts are being made to propagate the importance of research, and the Royal University of Bhutan is giving importance to doing research, Bhutan at large is still at a nascent stage compared to other developed countries:

Of course, now there are also institutions trying to promote research culture in our country with the help of donors. In developed countries, I have seen universities coming in with so much of research publications which help the decision makers take informed decisions. There are university professors who do political commentaries in other parts of the world. While in Bhutan, in the name of having to remain apolitical, such a thing anytime soon is not a possibility. With a lack of empirical data, with lack of proper studies, and with less information, often we run the risk of taking uninformed decisions, which may not necessarily help create conditions where people become happy.

In addition to the need for updated empirical data for policy making, Expert Aum Lily noted that *"researchers involved in the study don't make proper analysis and propose appropriate interventions."* While some experts blame the poor use of data by researchers and policy makers, expert Dr. Karma argued that there is lack of statistics and reliable data to back up decisions. The expert cited examples of flawed data, and framing policy based on such mistaken erroneous data would be disastrous:

We don't have existing information in place to formally drive policies. For instance, last year I was looking at health Ministry's report (2020) it shows Thimphu hospital has less patients visiting, as compared to Paro and Lungtenphu hospitals. Now, that is definitely not correct, right. If you just stand at the door and count people, you will know that Thimphu hospital gets far more patients. Now, if you just use that data, imagine Bhutan is such a big country, you don't understand how many people come to Paro hospital or Thimphu hospital, but you base your decision to build hospitals, then you will decide to build a big one in Paro and a small one in Thimphu. We need to put in more resources to get reliable statistics.

Therefore, consultation, data and statistics must be enhanced and built. At the moment, there is not much of research and development culture in Bhutan. Bhutan still does not have a National Research Endowment Fund. However, research is vital for innovation, economic benefit, and social development (Midwives, 2019; OECD, 1996; Yusuf & Nabeshima, 2007; cited in Tobden & Sherab, 2021), for evidence-based policy drafting, and for social work practice (Erbay, 2017; Benton, et al., 2020; cited in Tobden & Sherab, 2021). Even the Royal University of Bhutan, the first national university faces tremendous challenges in research development such as a lack of infrastructure to support research. Lack of funding, and the level of independence of researchers from the management in South Asian nations; and low demand for research by decision makers, regulators, media and other societal actors are the most common challenges faced on social science research (Tobden & Sherab, 2021). I read the organograms of all nine Ministries in Bhutan and none of them have a department/division of research. The Royal Civil Service Commission, which is the parent organisation for all civil servants in Bhutan does not have a research officer in their list

of employees. Therefore, this study highly recommends instituting research divisions in all government agencies.

7.3 Policy Recommendations

Expert participants suggested numerous policy options, and programme interventions in response to practical and policy challenges and barriers in maximising GNH. These suggestions are listed in Table 18 below:

Table 18: Expert participants policy recommendations policy and practical challenges.

Issues	Recommendations
GNH Education: A common national narrative	The biggest challenge is the need for a common narrative of GNH. To achieve this, Bhutan must introduce GNH education for the population (Hon'ble Dr. Passang; Aum Tandin; Dechen). GNH is development with values. A national belief system that maximises collective wellbeing through sustainable policy, enabling cultural and environmental preservation, socio-economic development, and work-life balance approach to development (A combination of all 28 expert participants)
Competing ideas and vested interests	All Bhutanese must uphold the provisions of the Constitution at all times. Political economy directions given by the Constitution is towards a fairer society, a just society, a harmonious society (PM1; Dasho Neten; Hon'ble Tashi)
Absence of citizen driven economy	Bhutan must draw up strategic plan to enhance and support private entrepreneurship spreads across the country (PI1; Hon'ble Karma).
Hierarchical structure of governance	A totally different shift in the mindset of civil servants and bureaucrats is needed (Dr. Karma). A cultural shift of undoing that mindset of entitlements, and that mindset of hierarchy (Dasho Kinga)
Conflicting policies	Must investigate the conflicting macroeconomic policies in particular the Economic Development Policy must be revisited (PI1; Hon'ble Dawa; Sangay)
Issues in policy implementation	Bhutan must draw up a policy implementation strategy (PI2; Gopilal; Hon'ble Karma; Dr. Lhawang; Hon'ble Dr. Passang; Dr. Sonam; Dasho Neten; Dr. Tshering)
Inadequate consultation on policy framing	Ensure diversity in decision making, engage in public consultation, involve experts to be able to identify issues, and identify appropriate interventions and policy options to address the challenges related to creating an enabling environment for people to pursue happiness. There needs to be a more holistic approach to issues and consult all stakeholders in policy making (Aum Lily; PolicyL2; Dr. Karma)

Lack of research and data input for framing policy	This study highly recommends instituting research divisions in all government agencies (Sangay; Hon'ble Dr. Passang; Aum Kunzang; Dr. Lhawang; Dr. Karma)

7.4 Conclusion

The ultimate goal of GNH is to achieve higher levels of sufficiency in happiness and wellbeing for all the people of Bhutan, and its habitats, which includes protecting animals and the environment. This is possible by ensuring a good quality life for the people, environment, and biodiversity by way of a wellbeing centric development approach through responsive policies and programmes. The effective policies and programmes, and the quality-of-service delivery through efficient public administration largely depends on the civil servants and bureaucrats as the coalfaces of the machinery of government. This chapter discussed in detail the practical and policy obstacles in maximising GNH, as pointed out by the expert participants.

Bhutanese are deeply rooted in their cultural and Buddhist religious practices, which largely influence the Bhutanese worldview and their way of life. Bhutan's development policies since the 1950s (when the five-year plans started) show that the government has been maximising happiness of the people, instead of maximising wealth. Since 2008, all policies must pass the minimum GNH threshold to be endorsed and approved as policies. While Bhutan does envisage enhancement of socio-economic development, economic development policies must attain the GNH requirements as well. GNH is the Bhutanese narrative that is largely shaped by their worldview, and how they look at policies and programmes. Some experts commented on how the people's expectations are changing now. The discussions, or the alternatives that emerge out of policy discussions, tend to be mostly geared towards gratifying these emerging needs even more, even faster, even more swiftly, and that ultimately influences policy and politics. These emerging needs are fuelled by globalisation, exposure to modern development, social media influences, and a shift towards consumer ideologies. Governments and people around the world, work together on policies and expectations to increase their GDP. But in Bhutan, it is much more complicated, as GNH policies go beyond the immediate needs of material wants and therefore have to make certain compromises and trade-offs. Therefore, the government or the leadership and the state have this unique challenge to convince people to look beyond their immediate needs and prosperity.

On the challenges and barriers in achieving higher level of sufficiency in happiness and wellbeing, the expert participants said that Bhutan has good policies in place, there is active intention, there is political will, but there remain challenges aplenty. The experts believe that the policy must look at private sector development and promote citizen driven economy; The policy makers must always refer to the constitution while confronted with competing ideas and vested interested groups; Bhutan must address the current structures of governance and public

administration which are burdensome and inefficient to develop a more systemic approach; address conflicting policy issues through GNH education; promote research, data and evidence based policy making; and implement rigorous consultative and coordination among relevant stakeholders that are involved in planning and pursuing happiness; inclusive approach and diversity is important during decision-making process for diversity of ideas and broader perspective, that includes study, evidence, analysis, and consultation.

All 28 experts interviewed for this study highlighted that Bhutan has great policies but needs good implementers who will not only improve the system, but also go for greater civic engagement in terms of implementing the government plans and policies. GNH is about the Bhutanese worldview, and it is through the lens of GNH, that Bhutanese see the world. The GNH concept is of high value, and the concept stands for its wholesomeness and propagates development with values. This framework guides the entire policies, therefore GNH must not be the concept of elites, rather GNH education is required for the people at the grassroots level to understand this concept. When people understand clearly then everyone is more likely to pull together in building the developments towards achieving this GNH or sustainable happiness. His Majesty the King said "What is GNH will not change, but how we achieve GNH will change, and it must." Several experts cited this profound statement. Drawing from this profound statement Bhutanese policies must change, because the priorities change overtime. Bhutan is going to go through different stages of development, and at each stage the requirements are going to be different. Depending on the priorities of the day the policy focus should be to identify which of the nine domains are important and build on them. At the end of the day, to pursue and sustain the idea of GNH, people really need to understand and internalize the vision and the trust behind Bhutan's constitution. The idea of the Bhutanese constitution is not that of a free market. The constitution states that the state shall pursue fair market societies. All these ideas, show that even the political economy directions given by the Constitution is towards a fairer society, a just society, a harmonious society. Several experts said that, even when COVID 19 devastated the world, *"we are still enjoying happiness, and that is one evidence that we are different, and we are on our sustainable pursuance."*

Chapter 8: GNH and Democracy in Bhutan

This is the final thematic chapter under the findings section of the thesis. The findings section began in Chapter Six with an inquiry into the insufficiency in government performance, and the policy options thereof. Chapter Seven investigated policy and practical challenges and barriers to maximizing GNH. In this chapter, I delve into the cause and conditions of Bhutanese Democracy in implementing GNH and examine the perspectives of the various expert groups into the nexus between GNH, the Sustainable Development Goals (SDG), and Gross Domestic Product (GDP). Specifically, this chapter focuses on the key findings on the theme of 'GNH and democracy in Bhutan' that emerged from the interview with policy experts. Below, I outline the key findings relating to issues in implementing GNH that have emerged from the data.

8.1 Bhutan's Transition around GNH, Democracy and Sustainability.

This chapter reveals the rich details of the nexus between democracy, which Bhutan embarked in 2008, and it was also around the same time that the restructuring of policies around GNH took off. It was around the same period that His Majesty the Fifth King was enthroned; Bhutan transitioned into parliamentary Democracy and Constitutional Monarchy from absolute Monarchy; enacted the Constitution of Bhutan (Royal Government of Bhutan, 2008); Introduced political parties and elections (Parliament of Bhutan., 2008a); instituted the Gross National Happiness Commission as the central agency to review policies and formulate plans infused with GNH values (Gross National Happiness Commission, 2008); and the first GNH survey was conducted to measure people's sufficiency in happiness and wellbeing (Ura et al., 2012). All these landmark transformations happened between 2008 and 2010.

It was also around the same time when the internationalisation of GNH took off. Bhutan proposed that the United Nations declare Happiness as the 9th Millennium Development Goal. Bhutan hosted a high-level meeting at the UN to launch a global movement to create a new economic paradigm "human happiness and wellbeing of all life on earth" (Royal Government of Bhutan, 2012). The recommendations of the high-level meeting were to examine Bhutan's GNH as a model and that "all stakeholders should work towards the inclusion of happiness and wellbeing concepts in the Sustainable Development Goals (SDGs)" (Royal Government of Bhutan, 2012, p. 85).

If the key principle of democracy is freedom, then democracy is human development, as both require voice and participation and therefore reinforce each other (Gerring et al., 2012). In that sense a Bhutanese version of human development is GNH, as GNH is development with values and promoting a just, harmonious, and sustainable society (Centre for Bhutan and GNH Studies (CBS),

2016). So, the larger question is whether, the Bhutanese people are better off after a decade of democracy. A study conducted by the United Nations Development Programme and the Parliament of Bhutan showed that the past 10 years have been successful in advancing human development for Bhutan and the Bhutanese people under the helm of the Great Monarch (UNDP, 2019a). Over a decade later, this thesis, and this chapter in particular, attempts to evaluate challenges and barriers in maximising GNH in the Bhutanese democratic government based on the analysis of semi-structured interviews with 28 expert participants. While the expert participants agreed with the report of enhanced human development, they also pointed out several issues and challenges that came with the advent of democracy, such as the gap between political pledges and implementation, political clientelism, regionalism and favouritism, and short-term politics, which has been identified as hindrances to maximising GNH. The experts also discussed the pros and cons of international policyscapes such as GDP, and SGD in relation to GNH. These factors are discussed below.

8.2 Gross National Happiness, Sustainable Development Goals, and Gross Domestic Product

The expert participants unanimously acknowledged that GNH is the guiding principle and philosophy, not only in terms of development, but also the linchpin of how Bhutanese take on life, plan, execute, negotiate, and build up policies. Expert participant PI2 said *"GNH will always be the guiding principle, if not the north star, which always sheds light on Bhutanese."* Dr. Tshering said *"GNH is what makes us, us."* PolicyL1 said *"GNH is containment."* PI1 said "*GNH is SDG plus.*" PolicyL4 said *"GNH is a timeless goal."* Dr. Karma said *"GNH means a great degree of regard for the environment, equality, justice, and so forth."* Several experts sai*, "GNH is a gift to humanity from His Majesty the Great Fourth King."* Consistently all 28 expert participants said for Bhutan SDG, and GDP will always function as subsets of GNH. GDP relates to only one of the four pillars of GNH, and SDG relates to three of the four pillars of GNH. This section explores how the policy makers, policy leaders, researchers and political leaders implement GNH in the global policy scape of GDP, and SDG.

8.2.1 Gross National Happiness in Global Policyscapes

GNH provides a lot of room for manoeuvrability in terms of course correction, reprioritisation, and being able to make deliberate decisions, instead of being pushed by movements, trends, and fads, therefore GNH is timeless (Royal Government of Bhutan, 2008). However, Bhutan still uses GDP to measure its economic development. Expert participant Sangay commented that *"while we talk about GNH, we eventually fall back in terms of statistics to GDP. If all our annual reports are going to work on GDP, discussions at any level are going to be GDP focused."* The expert also discussed changing the way the national accounts and balance sheets are maintained. For example, in the mining sector, the accounts should capture ecological cost, the social cost to do it, on top of the traditional method, which will then be closest to the true cost of mining in a certain area. However, expert participant Tharchen argued that Bhutan has to maintain the GDP figure to comply with the

international norms. The expert said *"The national figure of GDP is still in the control of Central Government to please their constituents and donor partners."* Expert participant Dr. Kinga supplements that *"a lot of people think that GNH is exclusive of GDP, which is not true."*

Almost all the expert participants reasoned that GNH is holistic and encompasses both SDG, and GDP. These three concepts complement each other rather than representing conflicting positions. GNH does have that material component such as living standards, health and education. These dominant international indicators are more driven towards the conventional development model. From the perspective of SDG, eradication of hunger, and poverty alleviation, aligns with GNH, because happiness is also about having minimum sources of livelihood. So, GNH bridges, it aligns, and it enriches, while it brings the two ideas together. Bhutan also found that the 17 SDG goals align with Bhutan's sustainable development framework of GNH. Expert participant Dr. Karma said *"SDGs could easily fit into our context. In a way GNH helps in bridging the shortcomings of GDP and complements the Sustainable Development Goals."* Close to what the participants' articulated Bhutan has played a significant role in shaping the SDG goals, as Bhutan took on the leadership role in the UN to draft post 2015 development paradigm, and several discussions on happiness (RGoB, 2012). The expert participants Sangay, Dr. Sonam, His Excellency Dorji, PI1, and Aum Tandin pointed out that *"on most of the sustainability papers we see reflection and mention of GNH and Bhutan's role."* As expert participants PI1 and PI2 said *"while Bhutan may be considered a small country, however, we have been the movers and shakers in the softer aspects."*

This study interviewed the Chief Policy officers of the government ministries to find out if GNH, GDP, and SDG complement or contrast in the actual implementation of the government projects in the ground. Expert participant PI1 affirmed that *"GDP supplements the GNH philosophy."* Expert participants Aum Tandin and Hon'ble Dr. Passang elaborated on the idea, saying that *"GDP should not be an end in itself, but a means to achieve GNH, and I think that itself suffices in saying that GNH is a kind of overarching policy framework."* The expert PI1 cited examples of how GNH counterbalances the ills of GDP:

> You can manufacture, you can put in a lot of polluting industry your GDP can shoot up, GNH does not allow that. GNH takes care of environment, and other social aspects. For example, in GDP, there is no calculation for unpaid labour such as mothers care for child, whereas in GNH we account for that in a certain extent.

On GNH and SDG, the expert participants PI1 and PI2 said that SDGs are highly interrelated to GNH:

> There is a one-to-one relationship between our twelfth five-year plan and that of SDG. Twelfth five-year plan emanate from the principles of GNH, as our foundation for any plan is GNH. SDG has 17 indicators; we have 16 National Key Result Areas in the twelfth plan. The only SDG indicator that is not in our twelfth plan is life underwater. In GNH we also talk about importance of culture, and SDGs don't talk explicitly on culture. As per the report of UNDP shows that we have already achieved five indicators, and we are progressing well

on rest.

The features of GNH are sustainability, the environmental consciousness, culture, and inclusive governance (Centre for Bhutan and GNH Studies (CBS), 2016; Royal Government of Bhutan, 2012; Ura, 2015). In this sense, Bhutan's development philosophy has been much ahead of the rest of the member states in the international arena in pursuit of wellbeing and sustainability.

8.2.2 GNH and its Relevance in Maximising Happiness and Wellbeing.

One of the most contested and conflicting areas while maximising GNH is deciding how GNH should respond to the global policyscape, and how Bhutan's policy actors should choose between GNH and other competing global policy scapes? While some expert participants argued GNH is a deliberate attempt to divert from GDP and this must be maintained, others argued that GDP is a means to achieve GNH, but not an end in itself. All expert participants unanimously agreed that SDG complements GNH. Expert participant PM1 discussed why GNH is relevant in today's world with examples, as illustrated in the following excerpts:

> If you look at why GNH came about in the 1980s, why His Majesty the Great Fourth believed we needed an alternative measure, was His dissatisfaction with GDP. We look at a country like Angola in Africa, they have high per capita income, and their exports are high because they have oil. But you look at their Gini coefficient, social indicators, mortality rates, it is a different story. Now, countries like Canada, France, Brazil, Japan, New Zealand, and the UK are working on happiness dimension. These countries are talking about wellbeing index. All these shows that GNH is relevant and will be relevant because GDP while a useful measure is not a comprehensive measure to capture essentially what people want in their life, which is wellbeing.

GNH is development with values (Centre for Bhutan and GNH Studies (CBS), 2016; UNDP, 2019a) which provides the response to a lot of problems in the world today. The expert PM1 cited examples on how GNH responds to the current global issues.

> The climate movement against climate change, the environment and biodiversity campaigns, are the urgency of this whole idea of pursuing a balanced approach. So, you see those reasons why some countries are doing well, some countries are not, all that then you will find reasons and relevance of GNH.

Expert participant Hon'ble Dr. Passang said GNH encompasses very broad issues, and it actually dives into the facets of morality, politics, sociology, and even spirituality. But the SDGs are something practical. The SDGs are more results-based, outcomes-based, but GNH is based on an underpinning morality, and the overall framework determining how development should take place in our society. SDG and GNH, have similar elements, but they are not the same.

> Expert participant Hon'ble Dawa and Dr. Tshering argued GNH has saved Bhutan from the dangers of GDP:
> If we have pursued GDP, we have lots of good pine trees. Should the government decide to cut down all the trees and export them, we have lots of opportunities to make money. Our GDP will shoot up like anything. We have all these mineral resources in the southern belt, why don't we exploit it and export it? If we do that, we will just be like Singapore, Japan

etc. We will be very rich. But does it really help our society? Does it really help our economy? For Bhutan, we are happy that we have this GNH policy, which will not allow irresponsible initiatives that will just help GDP grow or that will help to take care of SDG. I think we have been responsible in our development, and we have been responsible in our approach to development, and that is where GNH comes into picture.

Expert participant PM5 asked *"isn't the uptake of GDP stressful to our people?"* Expert participant Hon'ble Karma thanked His Majesty for the foresighted GNH:

> We are, as a human being, as a voter, as a citizen, are thrown into the open market. There are a lot of demands, a lot of conflicting thoughts, conflicting ideas, ideology. GNH is a deliberate judgement attempt to keep your thought happy and stay true to our nature. By nature, we are compassionate, and we are considerate. We are creative survivors within the difficult mountains and terraneous region in the country. Our nature, our DNA is a little different.

Expert participant Dasho Neten said that, in Bhutan, the sort of indicator of happiness is never about GDP, and cautioned that *"if you measure wrongly, you will make wrong decisions."* The expert wished to thank GNH for the following:

> I am so grateful that I am breathing fresh air, I am so grateful that I have all these goodies from the forest. I am so grateful that at least I can get some milk from my local cows. I am so grateful that I can get an egg from my hen that I have reared, not the poultry farm.

Expert participant Dr. Lhawang further discussed the relevance of GNH and how Bhutan must change the way GNH is operationalised to maximise GNH. The differences are that while SDG has goals that they can be quantified, GNH has a few components that are still very subjective:

> GNH has cultural preservation, which is very important in the society, but how would you measure cultural preservation? The problem with GNH is that some of the components of GNH are still quite subjective, but that I think, is the strength of GNH, because it is still looking at some of these holistic goals that are still subject to debate. And this is why I think the whole concept of GNH is interesting at one hand, but also, it can be quite controversial on the other hand.

The expert also recounted how he had drawn inspiration from the following statement on GNH by His Majesty saying "what GNH is will never change, but how we achieve GNH will change, and it must" and elaborated the following remarks:

> In terms of what makes Bhutan a sustainable, happy, and developed country, it is going to change, right? Few years ago, Bhutan did not have 100% electricity, so I think that was important, now it has all of that, the requirements are going to be different. I think this is where, as a policy practitioner purpose, GNH needs to be dynamic. But again, it needs to be flexible enough to change. Bhutan is going to go through different stages of development, and at each stage, the requirements are going to be different. My thinking is that how we should move ahead is just to have these different variables, indicators, pillars out in front of us, acknowledge the importance, but also acknowledge what is important at the moment. That is perhaps how I look at this concept of sustainable, so you are doing what is important, but also not totally ignoring the other indicators.

Similarly, expert participant Dasho Kinga believed in a dynamic process, explaining that *"dynamics means what is 30% today may not be 30% tomorrow or may not be 20% day after. So, it is a*

moving goalpost."

Closer to what the expert participant said, the GNH survey in 2010 showed people lack sufficiency in schooling, cultural participation and knowledge (Ura et al., 2012). Five years later, the 1025 GNH survey showed insufficiency in government performance (Centre for Bhutan and GNH Studies (CBS), 2016). By 2023, surveys from National Statistics Bureau of Bhutan (National Statistics Bureau, 2020, 2022a, 2022b, 2023a) showed the priority for Bhutan are inequality, job creation, and youth unemployment. As Bhutan is going to go through different stages of development, some indicators or domains of GNH will be more relevant than the others. For instance, absolute poverty was a problem a decade ago, and now Bhutan has moved beyond that problem (National Statistics Bureau, 2014). Today Bhutan is working towards graduating from its Least Developed Country (LDC) status but is still dependent on aid. Therefore, pursuing priorities for inequality, unemployment, and living standard indicators may be worthwhile.

GNH can be seen as a compromise between, on the one hand, the market (exemplified by GDP) and, on the other hand, sustainability (exemplified by SDGs), the welfare, and the will of the Bhutanese people, that is democracy. Yet the democratic and policy processes are not without shortcomings in Bhutan, which has implications for the pursuit of GNH. The rest of this chapter focuses upon these shortcomings, that is, on the conflicts between Bhutanese policy and political processes and the achievement of GNH.

8.3 Gap Between Pledges, and Implementation.

In any democratic setup, political parties' campaign through written manifestos, speeches and public debates. In Bhutan too, the electoral system allows political parties and candidates to pledge to the electorate through active campaigning (Parliament of Bhutan, 2008a, 2008b) in the pursuit of gaining votes (Kitschelt, 2007). Manifestos are increasingly central to electoral politics. Parties are expected to outline in detail what they would do in office (Thackeray & Toye, 2020). While pledges are inherent to the character of political parties, experts believe that political parties and their candidates are increasingly resorting to unrealistic pledges which they are not able to fulfil after winning the elections. These raise people's hopes, increase people's dissent against the government, and can result in a loss of faith in democracy. While several expert participants discussed how political parties and candidates engage in politicking beyond what is permissible by the relevant laws, some experts argued that politicking is a nature of democracy and that it is inevitable. Some experts cited how political parties and candidates are strictly regulated by laws and there is no room for malpractice. These deliberations are discussed in the following sub-sections.

8.3.1 Political Pledges and Voter Expectations.

Some pledges are achievable, some are unrealistic. Therefore, politicians and voters must be aware of the prevailing laws in order not to cause mismatch in the pledges and expectations. According to several experts, in the political landscape of Bhutan, the understanding is that once elected,

irrespective of government or opposition, whatever promises were made, can be delivered. Political parties campaign as if the whole government coffer is in their hands. But when they form the government, there are hundreds of rules and regulations to follow. Expert participant Hon'ble Dr. Passang discussed two levels of mismatch between expectations and delivery. One mismatch was between the voters and a political candidate, and the other was between the voters and the government. These mismatches were triggered by high expectations of voters versus constrained and limited room to deliver for politicians:

> Political parties that have not done their research well, and are irresponsible, have always left their major pledges unfulfilled. One thing that we should be very clear about is what you can do and what you cannot do even if you form a government. So, even if your political party forms the government, you have no free leeway, you are bound by rules and regulations. This understanding must discipline our politicians.

Expert participant Sangay expressed a similar sentiment, saying that *"it is impossible to fulfil every voter's wishes. The political parties and candidates must frame their pledges based on data and evidence."* Hon'ble Nima said *"I think the voters should be aware. Politicians can promise a mountain, but we should know that it is not in their hand."* These expert participants argued that voters should be aware, empowered, educated, and guided, that all promises made by politicians will not be fulfilled. On the two levels of mismatch, expert participant His Excellency Dorji explained the differences between the pledges made by individual politicians and the party as a whole:

> The pledges of the political candidates to their respective constituencies are honest and is based on the need of that constituency. As a candidate they pledge road, irrigation, water, or barbed wire etc. But where things become a little dishonest, is in terms of national pledges, not making right pledges, but populist pledges. Now let me give an example of, 'free wifi' which is the pledge of the DNT party. It is unrealistic.

Expert participant PolicyL1 asserted that the people should be aware that a politician's role is legislative only. Likewise, the politicians should know their role is to bring in policy changes, not at the ground level in executing whatever they are promising. Expert participant Hon'ble Karma said the politicians are well aware of the context and the laws, however, once in the field the environment is different. In the following, the expert cited his personal experience of committing to unrealistic pledges during his election campaign:

> In the heat of the moment amidst competition, you tend to over promise sometimes. For example, in my constituency, I thought at that time making mini and micro hydro projects would be feasible. But after the election when I talked to people, when I talked to experts, it is not worth investing.

Expert participant Gopilal stressed that the politicians cannot be learning from our neighbours, but instead must abide by the Buddhist core values of Thadamtse and Layjumdrey [ethical and moral values; respect and loyalty to parents, elders and superiors], and demba [mindful]. Parties have to take moral responsibilities for their conduct, whether during the time of elections or after being

elected to public office. The expert said "*the whole idea of moral conduct is very important for political parties. So maybe our political leaders will have to find way to craft our own system that is responsive to all ideas of morality and accountability.*" Expert participant Dasho Neten was adamant about abiding by the laws and demanded sincerity and honesty in the political parties. The expert, President of one of the political parties during the 2018 elections, said:

> It is difficult when you are the only political party trying to be sincere and honest, and the rest are singing songs to the gallery, then you are also tempted to do the same thing, otherwise we lose. But if you don't mind losing, then it is a risk that you will take for the country.

Expert participant Dr. Lhawang argued that pledges must be guided by how sources of income are structured. Bhutan is an aid dependent country and cannot use the funds unconditionally. The expert cited the example of PNG:

> For example, in PNG, the politicians have decentralised, they have created this district agencies. But the thing is, the chairperson has become the MP. They have the same problem like Bhutan, they don't have funds, funds still come from central government, but the MPs are controlling the funds. So right now, I think those checks and balances are there in Bhutan.

In other words, while the MPs have the mandate of the people, they do not have the resources to pursue them. The five-year plans and the budget allocation are done by GNHC, based on a certain agreed formula derived from the National Key Result Areas (Gross National Happiness Commission, 2023). This process ensures that the way funds are allocated in Bhutan, do not allow the MPs to play around with where the fund goes. Therefore, experts raised issues about the need for politicians to abide by the prevailing laws. The following section explores what the relevant laws and regulations are in place in Bhutan.

8.3.2 Laws, Rules and Regulations

The experts cited the prevailing laws, rules, and regulations that govern elections, political parties, and political candidates. The Constitution of Bhutan (Royal Government of Bhutan, 2008), the National Council Act (Parliament of Bhutan, 2008), the National Assembly Act (National Assembly of Bhutan, 2008), and the Election Act (Parliament of Bhutan, 2008a) concurrently described the role of Members of Parliament to make laws, and to represent the constituents. In addition, expert participant Hon'ble Dr. Passang explained that it is also to undertake oversight functions to monitor government projects. Expert participant PM1 said the political parties and their candidates while campaigning must refer to the Constitution and the relevant laws:

> The Members of Parliament will face challenges in delivering on their promises, so what should one keep in mind when promising, and how do you navigate those challenges? How much and what the government of the day can promise is very clear in the Constitution and the laws. The Constitution's Article on Local Government clearly states that local development is their prerogative**.** National Assembly Act, and the National Council Act says, 'parliament, and elected members primary function is law making, legislation towards good governance, it is not delivering promises at that level. On the local development

works, the budget delivery depends on what the Dzongkhag Thsogdue [District Committee] approves. Roads, drinking water, electricity, bridges, and the development works, are primarily the domain of the local governments. That awareness has to be there.

The expert also cited the various measures the governments took to fulfil their pledges. One such example was the first government's initiative of the Constituency Development Grants (CDG). The guidelines for the CDG states that it is a separate budget head in the annual budget to be placed at the disposal of the Members of National Assembly, to fund activities which are not covered by the normal budgetary programmes (Ministry of Finance, 2009). The expert explained that "*the CDG were essentially to circumvent this constitutional bottleneck, where you cannot promise too much at local level because that is decentralised to the local government.*" The second government (PDP), after winning the elections in 2013, replaced CDG with Gewog Development Grant (GDG) which allocated full authority to the Local Government.

How will the MPs avoid not being able to deliver what they have promised? The expert participant PM1 said "*it is not talking about water and electricity, it is talking about how we can build an enlightened society. If all these are understood, then MPs will not promise too much.*" At the same time, the experts also voiced the belief that, as Bhutan moves forward, more and more development activities must be planned and executed by the local governments. Central governments will have to engage at the policy level, and not at the implementation level. The role of the central government is to formulate policies, to look at the macro issues, and to arrange the finance, mobilise resources and channel it to the local governments. There has to be a system where Local Governments as development implementers, and the central government as the policymakers are mutually accountable to each other. Similarly, expert participant Gopilal put it "*one as a party that implements development activities, and one as a party that supports through policy instruments, and resources. And as we move forward, our five-year plans must be executed at the local level.*" Having that functioning means Bhutan must invest in strengthening the capacity of the local government functionaries. According to the LG Act, the Local Government members are apolitical, they operate on the basis of a fair degree of understanding, consensus, and equality. They distribute resources among villages based on consensus and reciprocate formulas.

In addition to the laws, rules, and regulations, expert participant PM1 said His Majesty's The King's long-term vision for the country certainly guides the policies and the power of spendings. The effectiveness of these spendings depend largely on the bureaucrats:

> The stable course of the Bhutanese ship is run by His Majesty, His Majesty's vision, and the bureaucrats. In any political economy analysis of GNH, you cannot rule out the role of bureaucrats. Ultimately, whatever the politicians, elected leaders decide, the bureaucrats are a key player. Politicians may decide to implement development works,' but the bureaucrats will pull out some rule or law somewhere in the books and say, if you did this, you will be contravening this section of the public finance act, or LG Act. So the bureaucrats become a very important player.

Several experts pointed out the importance of bureaucrats when analysing the political economy of GNH and discussing government performance. His Majesty The King time and again reiterated that the central role of the bureaucracy was in providing that continuity and stability. His Majesty also said that public servants have the responsibility to ensure continuity in the pursuit of our timeless national goals and objectives (Royal Civil Service Commission., 2020, p. 2). Ultimately, any development project that the people want is delivered by the bureaucrats. So, their action, their inaction, their enthusiasm, their happiness determines how happy people are. Expert participant Dasho Neten commented that *"our bureaucrats must be given new life,"* indicates their importance.

8.3.3 Pledges as Important Aspect of Democracy

Several expert participants considered pledges to be important, especially in the context of Bhutan where the constituents increasingly demand roads, bridges, health outreach facilities, schools, and agricultural equipment in the villages. Several experts echoed that if the end result of a political campaign is uplifting the livelihood of the rural areas or the society, both politicians and the voters would see building roads and building bridges to be a means to that end. Expert participant Hon'ble Tashi, an eminent member of the National Council shared insights from her several years of experiences being a Member of Parliament:

> In the National Council, after every session, the MPs go back to their constituencies. And then after they come back from the constituency visit, we hold a plenary to really list down the kinds of issues that they collected from the constituents. Close to 100% of the feedback are always implementation oriented. It is not much of the policy, policy everything is well in place. When you go to your constituency, the main complaint is they are not getting the water supply, they don't have Basic Health Units, they don't have schools, they don't have roads, all these complaints come.

Going by the above narrative, it is obvious that voters expect politicians to pledge development activities. However, there are systems in place, so the members of parliament must rather look at why this system is not working and get back to the executive. Expert participant His Excellency Dorji said:

> As per our Constitution, politicians are elected through the party system through active politicking. So then, when you are politicking, of course, the main thing you do is through political campaigning and making pledges, so that is allowed, that is expected, and we are supposed to necessarily do that. But on the other hand, you have local governments who are termed as apolitical. When it comes to the planning, and budgeting, making programmes and delivering the plans and programmes, it is not in the hands of the politically elected members, it is in the hands of the local governments who are apolitical. And they may not necessarily listen to the politicians, right? And they may not necessarily put your pledges in the local government plans.

The Members of Parliament interviewed for this study shared that they got bogged down in having to address all these problems on the ground. The constituents call and write to MPs on issues ranging from roads and, bridges to schools etc. Often, the constituents also seek personal assistance from the MPs. If that is the case, MPs would have limited time to think of the long-term policy direction for the nation.

Expert participant Dasho Kinga (President of a Political Party) said with people becoming more aware of democratic rights and responsibilities, they will see through the political parties, and political parties must sell the vision. The expert asserted that pledges and promises are important because that gives people the hope and vision for development:

> You have to create that future, reveal that future. If you want people to come along with you and experience part of the pain, you have to show them a brighter future. You have to give hope to people because that is what they have to live for. I think sometimes the reality on the ground is so bad. It is so difficult and challenging that if you don't give people hope, then what do they live for? So that is the balance you have to maintain.

Some expert participants strongly dismissed pledges of any magnitude as it creates a gap between what is promised and not being able to achieve. Other expert participants argued that while it is important that MPs engage in legislation, they have to be the voices of the people as well, so they must pledge. Some expert participants were adamant that the politicians must stick by the law and the policies. The option is as the electorate matures and gets more educated, and well informed about how democracy works, then maybe they will hold the MPs accountable for their pledges.

8.4 Political Clientelism

In the report titled *Ten Years of Democracy in Bhutan*, conducted by UNDP and the Parliament of Bhutan in 2019, several issues were mentioned, including the concerns raised about the need to closely monitor the party expenditure and the source of funding. The report did not mention the presence of political clientelism in Bhutan as an issue. However, some expert participants believe political clientelism is an emerging issue in the Bhutanese democracy and Bhutan must pay attention from now on.

The general concern raised by the experts was that, when elections become more and more influenced by money, parties look for funding and spend it on politicking. The people with deep pockets sponsor the political parties and the candidates. When the parties come to power, the returns come in terms of policy and benefits to these industrialists and people with deep pockets. Therefore, expert participant Sangay suggested that the Election Commission audits all the political parties annually. The other issue the expert raised was concerns over the use of executive orders which bypass the GNH policy screening. While policies are required to be vetted through the GNH policy screening process to see whether they are GNH favourable or not, policies which come through executive orders from the Prime Minister's Office bypass this process:

> The second form of clientelism would be this. While we profess that our policies are subject to GNH filter through the policy formulation protocol. I have also observed that a lot of the decisions that are policy related are made in the form of executive orders, which are not subjected to these policy protocols. Executive decisions are a very important tool that the governments have at their disposal to make policies every day. And that big chunk of decisions that the governments make, we are not able to scrutinise that. Combined with all of that, there is every chance that political clientelism will grow. If that happens, while

government efforts for national development will be there, but then there is also possibility of vested interest of promoting fundraising so that you are probably winning the next election is increased. And I think that vicious cycle could set in.

Expert participant PM1's concerns about political clientelism are on a much higher level of enacting laws. He cited examples of how politicians pushed for amendment of the Local Government Act (LG Act) to enable them to have bigger roles in the constituency development process, and reward areas/regions they favour. However, as the expert noted the Bhutanese Constitution is designed and built on stability and therefore does not allow such infringements:

> When you are talking about good governance and political clientelism, in the upcoming May session of Parliament, the National Assembly wants to introduce a reform of the LG Act. I think that is an example of pressures on amending laws to facilitate political clientelism. However, the National Council argues against such proposals as Bhutanese Constitution at the end, is the Constitution designed for stability. You have primary round, you have general round, two parties, you cannot deflect from one party to the other. In addition, we have a political system, which is based on decentralised governance. The local government [Dzongkhag Tshogdu, Gewog Tshogdu] have a lot of authority over local development, and they control where the budget goes. For over the last few years, the National Assembly members have found out that they can't favour that Gewog [Block] that gave them the maximum votes. They realised they were operative at the central level. So, because of all these limitations they (NA members) are now pushing to amend the LG Act. So what is that essentially is, to promote clientelism and also to promote your supporters.

Another expert participant Hon'ble Tashi, who is also a Member of National Council, is adamant about abiding by the Constitution, and said the following:

> If the proposed amendment in the LG Act is about tightening the power or clipping the power of local government, then I am not for it. We have to go by the principles of constitution and see what is given right now to the local governments, and the structure of the local governments. If the amendment is about finding ways for members of parliament to work together with the local government, then we really have to go back to the drawing board, that is the Constitution.

Expert participant Hon'ble Karma, who is a Member of Parliament from the Opposition, cited various case studies as examples of political clientelism in Bhutan, as follows:

> Clientelism and favouritism, this can sometimes become driven, and become second nature to politics, and that is a risk, let us not shy away. For example, look at the Business Opportunity and information Centre (BOiC) which was instituted by the previous government. How was BOiC formed, and how the services were carried out? How do people still talk about BOiC? Look at the current Cottage and Small Industries (CSI) Banking in Paro. Why does it have to be in Paro, is it because the finance minister is from Paro? I am not blaming anybody, but these kinds of things can happen. This is clientelism, and this is favouritism.

Expert participants cited the ongoing discussion on the mines and minerals management bill tabled for the joint sitting. The committee which was formed to review the LG Amendment Act is in deadlock. And the deadlock is between the members of the National Assembly and the National Council in the joint committee. In the joint committee, there are members from the National

Council, from the ruling, and from the opposition. Expert participant His Excellency Dorji said the deadlock is caused more by the friction and disagreement between the ruling MPs and the National Council MPs. While the National Council MPs were for the nationalisation of mines and minerals, the ruling party MPs were against that. The expert said:

> At the end, it has to ultimately do with the political clientelism of the ruling party. I have been telling them that if bill dies, the message that people are going to draw, or the message that goes out will be this, 'the bill died because of the excessive protection of few interests of the few entrepreneurs by the ruling party.

Similarly, expert participant Dasho Neten also pointed out *"Minerals and Mines are our resources. How are you managing that? If there is national interest, we would think differently. If there is no national interest, then in the guise of private sector development a handful of people benefit*."

On the contrary, expert participant Dasho Kinga commented that political clientelism is everywhere and cannot be avoided. It is part of exercising democracy and therefore Dasho Kinga would not consider it as a larger issue, because it is not possible to please every voter, and it is a natural progression. The expert said blatant clientelism is not happening in Bhutan. Bhutan is ranked very high on Transparency International (25 out of 150). The expert cited examples of how the high-level committee was formed to draft the 21st century economic roadmap. The government and the Prime Minister included members from all political parties *"this is unprecedented. The government has been very bold, and included everybody because the whole idea is this is a Royal Command that should transcend politics and should not be limited to short term goals and objectives."*

The Royal Command on the drafting of the 21st Century Economic Road Map was meant to avoid such short-term development policies by differing political parties. The Royal Command stated that every individual and entity must work towards a common national objective. Likewise, expert participant Dr. Kinga suggested that political clientelism is actually a measure of vibrancy of democracy where politicians sell their ideas on things like jobs, and many other opportunities that the voters think they might be able to leverage. *"And if you want democracy, you have to be okay with that. What might be an issue is the corrupted form of clientelism, where there is abuse of government machineries, funds, and infrastructure to fulfil their voters' wishes."* Similarly, expert participant Dr. Karma opined that the governments have not been in any way significantly biased towards their rich donors or funders. The expert cited checks and balances put in place to avoid such practices. Expert participant Gopilal commented:

> clientelism will continue. But with voter education, I don't think our voters will continue to remain naive. Politicians are also becoming more careful now, not to make those unchecked promises. For example, the Khamdang MP, a very good case of how you can hold politicians accountable. He was taking that road illegally, because he had promised to that community, right. And now he is having to resign. This is a very good case of where politicians are held accountable.

The experts thought that Bhutan has a strong rule of law to check the conduct of the politicians. The Khamdang MP having to resign is an example of strengthening the public trust in the system. Expert participant MP6 was similarly optimistic, saying *"the positive side is we have our Monarchs for selfless guidance. We have the GNH commission for planning and executing developmental plan. So, we cannot go drastically wrong."* When the new government comes into the office, and the day they started working, GNHC would have done most of the work in terms of planning, in terms of budgeting, in terms of thinking, in terms of reaching out to donors, in terms of consulting with stakeholders.

8.5 Regionalism

The Bhutanese people discuss regionalism created by party politics in every parliamentary election. Regionalism here refers to Eastern, Western, Southern, and Central regions within Bhutan. In the first parliamentary elections in 2008, the entire Eastern region voted for DPT (ECB, 2008). In the second parliamentary elections in 2013, the Western region voted for PDP, while the Eastern region still voted for DPT (ECB, 2013). In the third parliamentary elections in 2018 the Eastern region yet again voted for DPT (ECB, 2018) and the results were touted to have divided the country into East and West. The narrative of regionalism continues to do so (Kuensel, 2019). The 2018 general election results show potential regionalism (UNDP, 2019). The expert participants, including the ones who are political candidates themselves believe that the advent of party polities created regionalism, and disharmony. The experts also unanimously blamed the Tshogpas [party coordinators] as the primary causes of disputes among parties, communities, and even among family lines. Expert participant PI1 was adamant that the advent of democracy and political parties have created regionalism in Bhutan and predicted that this will affect both the economy and GNH in the long run:

> From the onset of democracy, there has been a clear and visible regionalism that is coming in our country. Our country at large has been divided into the East, the South and the rest. So that is the extent of regionalism that has crept in our country. And in the South, if you look at the trend, it is divided along the ethnic group. If the government is controlled by the people from the rest of the country, and if there are minority representatives from the East and the South, then obviously the development activities will be concentrated in the centre, and the rest of the country. So, this is the perceived effect that regionalism could have. But is it happening? Not yet. Can it happen? Yes. So, it is not good from the development perspective.

While the expert participant PI1 above raised concerns about regionalism which is at the national level, expert participant Tharchen discussed political disharmony at the community level and identified Tshogpas [party coordinators] as the primary cause of disharmony:

> Party workers move inside the community, with different political agenda and mandate for the party. That is the main cause of divisions within the political party, and community. The Election Act promotes the registered party workers at the community level, which we really don't see the need. These registered political party members feel that they have the obligations

for the failure or the success of the political parties. In that way they try to influence different vulnerable groups in the society.

Similarly, expert participant Hon'ble Dawa, who competed in two rounds of campaigns in 2018 and in 2020, shared his personal experiences of how the political parties created disharmony in the community and even among the family members:

> I went for the byelection. You could really sense political divisions during campaigns. People are getting divided on the party line. Whatever you say may not be appreciated by the people who support the other party. The same is the case with other candidates, even if they see something appropriate, my supporters wouldn't appreciate it. So that is the nature of politics.

All the Presidents of political parties interviewed for this study reported having seen and felt disharmony and regionalism created by the political parties. Expert participant His Excellency Dorji (President of political Party and Current Leader of Opposition) shared his first-hand experiences of regionalism and disharmony and confirmed the Tshogpas [party workers] as the primary cause of disharmony in the communities:

> In fact, we are in the process of by-elections, and we are in the thick of campaigning just now. I am in the party office since early morning, and I did talk to around 30 people. What one person told me this morning was that the disharmony is created at the level of the party workers, not at the leadership level, and I would agree to a large extent, and that is very unfortunate.

The expert believed that the political leaders should take responsibility for the misbehaviours of the party coordinators and supporters. He also confirmed that the most popular feed-back from all walks of life is to do away with party coordinators:

> that the party workers and coordinators are the biggest factors of disharmony in democracy, and that, to the extent that they have advised and suggested that political parties should do away with the political coordinators and support.' However, I honestly feel there can't be political parties without party workers and supporters. The answer is not in doing away with them, but the answer is in the political parties and the political leaders, guiding the political supporters and party coordinators, that is where we should change things. Because democracy will mean nothing without parties, and without coordinators and supporters.

Expert participant Dasho Neten (President of a Political Party) agreed with the notion that division, disharmony, and regionalism have become a problem, commenting that *"one and a half years into politics, I can say it definitely created division. Bhutan is not an isolated case, I guess this is the characteristic of democracy, although democracy as such is theoretically wonderful."* Expert participant Aum Lily (President of a Political Party) felt that Bhutan was more united and in perfect harmony under His Majesty the King before the advent of parliamentary democracy. Expert participant Dr. Lhawang said there is strong evidence of division.

The expert participants including the presidents of the political parties, confirmed the existence of regionalism, division, and disharmony created by party politics in Bhutan. Most expert participants argued that these disruptions are caused by the Tshogpas [party Coordinators], however

participants did not agree on how to deal with these party coordinators. Thus, while several participants suggested they must be done away with, others considered them as inherent parts of political parties, who just need to be prevented from creating such disruptions by more stringent laws.

8.6 Short Term Politics

There are concerns in Bhutan that the politician's short-term approach to development is contradicting GNH. GNH serves as a broad long-term vision for Bhutan. Within very few years of the advent of democracy and political parties, Bhutan has already seen that conflicting political party goals and campaign promises can lead to a neglect of the long-term approach to development (His Majesty the King of Bhutan, 2014). Over the last decade some concerns have arisen when politicians have come-up with short term visions (UNDP, 2019).

This study reached out to the chief policy and planning officers in the ministries, as they are the ones implementing policy and programmes. Expert participant PI1 confirmed instances of short-sightedness in the plans and policies the government formulates, going by the trend set with the onset of democracy. Thus, the elected governments pursue short term policy objectives and plan activities that will ensure votes in the next round of election. Examples of such populist pledges are, instances of civil servant's salary increase that follow election period, and waivers of taxes on mobile vouchers. Expert participant Gopilal said that *"short -term politics is prevalent, because it becomes the easiest way to bargain and capture voters' imagination, showing them carrot."* Expert participant Aum Kunzang said *"that the approach to short term politics largely depends on the calibre, and the quality of the parties, that come into being. That is why the bureaucracy has to be strong and efficient."* The people are becoming more aware of how the government functions. Every term there is a new government in place, and these experts attributed this high turnover to the public losing trust, and not voting to bring that government back. They said:

> By the end of five years, they are already fatigued with the current government, and they probably feel that there is need for new government. If that is the case, then that is bad, because our people possibly feel that the whole system is flawed, the whole idea of democracy is flawed. And I think this is something maybe, people are trying to indicate through the election of new governments every election cycle.

Expert participant His Excellency Dorji said political parties going for short term and popular pledges is the biggest challenge and obstacle to the sustained pursuit of GNH and wellbeing. The expert said *"when you don't have a long-term vision for the country, then what affects is employment creation in a sustained manner. And that impacts the income of the people and the living standard of the people."* Expert participant PM1 said politicians come into office with a five-year time frame and that their policies are short-term. Therefore, the long-term narrative is to follow His Majesty's vision.

If you want to look at the real long term policy framework, then you have to study and examine closely with His Majesty the King's speeches, because He is in for the long haul. His speeches reflect his concerns which transcend electoral cycles. So the greater inspiration we find from His Majesty's speeches. So these are the barriers, short term perspective of elected people, the five year time frame of their vision and ideas, their dependence on party financials. Lastly, the inability of politicians to internalise the vision and ideas of the Constitution as to what it means to be pursuing a GNH society. I think then, their inability and the reluctance to understand provisions of the Constitution, vision of His Majesty the King are some of the biggest barriers because they all have a short-term five-year cyclical interest.

Voicing a different view, expert participant Hon'ble Karma argued that politics in Bhutan is talking about services such as roads, mobile infrastructure, health services, and support for pre-natal and post-natal care. These are not very short-term aspects, rather immediate needs of the people. He commented that *"what is short term is the present government talking WiFi. These can affect voting pattern, voting habits, or tendencies during the election."* Expert participant Dr. Karma said *"short-term politics will always remain an issue, as long as politicians have to woo the voters with some kind of immediate returns, immediate promises."* Expert participant Dr. Sonam explained that *"in order to generate the vote you have to look immediately into the short-term goal, because if you look into long term goal, you won't be able to achieve the political mileage."* Expert participant, Hon'ble Dr. Passang said *"we are time bound politicians, and political governments are time bound. So that is why it is very difficult for politicians to really think long term*." These experts justified, short-term politics as an intrinsic problem with democracy, and the fact that the government has a non-negotiable five-year term within which they have to deliver something in return, also makes them think only short term. The expert attributed this issue largely to the Bhutanese democracy being in a fairly nascent stage, and the community not being well educated and mature. The way forward is to overcome this is to educate the citizenry, to inform the electorate, let the electorate mature and understand these false promises that politicians make.

Several experts, in particular PolicyL4, Hon'ble Dr. Passang, Dr. Sonam, and PM1 were adamant that the government must follow the broad policy directives as outlined in the Constitution. In addition, Bhutan has the unique advantage of getting wise long term policy directives from His Majesty, and the institution of monarchy. That is one parameter within which any political government should function. An area that dominated the discussion was a need to craft the long-term vision 2050.

8.7 Policy Options and Way Forward

The expert participants suggested numerous policy options and programme interventions in response to GNH, democracy, and other national and international policyscape, as listed in Table 19 below:

Table 19: *Expert participant's policy recommendation for GNH, democracy and the national and international policyscape.*

Issues	Policy Option/intervention
Gap between pledges and implementation: How will the MPs avoid not being able to deliver what they have promised?	Politicians' primary role is legislation**.** it is not talking about water and electricity; it is talking about how we can build an enlightened society. If this is understood, then MPs will not promise too much (Hon'ble Dr. Passang, PM1). As Bhutan moves forward, more and more development activities must be planned and executed by the local governments. Central governments will have to engage at the policy level, and not at the implementation level. The role of the central government is to formulate policies, to look at the macro issues and to arrange funding, mobilise resources, and channel it to the local governments. There has to be a system where Local Governments as development implementers, and the central government as the policymakers are mutually accountable to each other. One as an organisation that implements development activities, and one as an organisation that supports through policy instruments, and resources. And as we move forward, our five-year plans must be executed at the local level
Understanding the development plans and policies	Months before the new government comes to power, the GNH Commission would have the next five-year plan ready. The GNH Commission draws up the plan based on consultations with the communities at the grassroots. Politicians must be well versed and aware of what is in the plan. Politicians, once elected, must live in their constituencies to better understand the needs of the community. At the moment all MPs live in the capital city. Educate and create awareness among voters that parliamentarians have a very minimal role to play in the community development, as much as they promise during campaign pledges (Dechen)
Political Clientelism	The use of Executive Orders to implement policy must be reviewed. Participants spoke of them as central tools of the government. Need to demonstrate rather how the policy to review everything through a GNH lens is complicated and contested, and that it highlights tensions between really being able to realise a GNH vision
Regionalism and disharmony	Review the role of Tshogpas [party coordinators]. Must do away with this practice.

Short-term politics	Drawing from the Constitution that GNH is the timeless narrative, Bhutan must draw up vision 2050 as an urgency to lay out long term goals.
The nexus between GNH, GDP and SDG	The nine domains of GNH must be dynamic. As the country progresses the requirements are going to change. Therefore, policies must be geared towards prioritising some indicators over others based on current need.

8.8 Conclusion

Bhutan is an emerging democracy, a constitutional monarchy and parliamentary democracy, at its nascent stage. Within that political framework, Bhutan has adopted the Westminster style of democracy. The Druk Gyalpo (The King), National Council (upper house), and the National Assembly (lower house) make up the parliament of Bhutan. The people of Bhutan offered the power to rule the country to the hereditary Monarchy in 1907. For 100 years, the kings of Bhutan nurtured democracy, and returned the power to its people in 2008 in the form of a constitutional monarchy and parliamentary democracy. As a timeless narrative, central to national self-identity, GNH was included in the Constitution in 2008. This marked the beginning of a definitive and sharp burst of developmental policy changes, alongside major political changes, with the introduction of the international policy scape.

The expert participants agreed that democracy is good, as it talks about individual rights, but questioned if democratic countries, especially the developed and matured democracies, are free of disharmony, political clientelism, and unrealistic political pledges. Even advanced democratic countries suffer from regionalism, and even cases of human rights abuses surface from time to time. The experts suggested that when democracy started in Bhutan, the Bhutanese people viewed it negatively, as democracies in the neighbouring countries have been very volatile. Constant strikes, street demonstrations, and endemic corruption do not sit well in the eyes of the general Bhutanese population. For the first batch of politicians in 2008, there was a constant discourse on morality in politics. The evidence suggests that there is no ideal democracy.

The governance structure in Bhutan is unique. His Majesty is the head of state, and the head of the government is the elected Prime Minister. The role of the Parliament, both of the National Assembly and National Council is to legislate policies. The government exercises its power in a form of Lhengye Zhyngtso [Executive]. The civil service is their missionary, where ideas and policies are implemented and put into practice. Parliamentarians are more of the oversight body, to see if policies are translated in the ground, because Lhengye Zhungtso is collectively accountable to Parliament. While the central government consists of elected politicians, the Local Government

leaders are also elected democratically but they are not party based so that they can implement developmental activities without interference from the politicians.

Since the last government around 2013, full scale decentralisation took off, and authority for 50% of the total government budget is being given to the local government to implement. Therefore, the issue of political clientelism has been reduced by a huge margin. In addition, Bhutan is fortunate to have a profoundly active Monarchy, under whose selfless leadership the politicians would not dare to practise favouritism and clientelism. GNHC formulates the five-year plans and allocates the budget. When the new government comes to power, GNHC provides them with a variety of inputs, including research inputs, policy inputs, and advisories or briefs.

The argument that political clientelism is prevalent in Bhutan is fiercely contested among the expert participants. Some experts interviewed for this study were of the opinion that, while there may be some elements of political patronage, political clientelism is not really taking place in Bhutan. Both the political parties and even politicians are highly regulated in Bhutan, so the system encourages clean politicians. The experts cited the example of Khamdang MP having to resign for making the unilateral decision to construct a road in his constituency. However, other expert participants cited examples such as the ruling party's institution of BoIC and CSI Bank; the proposal to amend the LG ACT; and the deadlocked Mines and Mineral bills as examples of clientelist politics. In Bhutan, even though people might not agree with certain policies, as long as family is involved, a lot of things are over-ridden. In some instances, the community also supports politicians from their locale, so it is impossible to avoid some of that clientelist patronage.

The other contested argument that emerged from the data analysis was the gap between pledges and implementation. While some experts argued that unrealistic pledges lead to people's distrust in politicians, dissent against government, and a loss of faith in democracy, others argued that whether pledges are realistic or unrealistic, they are an inherent part of politics and democracy. It is through pledges that politicians can build peoples' hopes and dreams for the future. The larger question is how will the politicians ensure they can deliver what they have promised? The experts proposed that the politicians must be guided by the prevailing laws and the five-year plan documents. As Bhutan moves forward, more and more development activities must be planned and executed by the local governments. Central governments will have to engage at the policy level, and not at the implementation level. The role of the central government is to formulate policies, to look at the macro issues, and to arrange the finances as they mobilise resources and channel it to the local governments. There has to be a system where Local Governments as development implementers, and the central government as the policymakers are mutually accountable to each other. Having that functioning means Bhutan must invest in strengthening the capacity of the local government functionaries.

The next issue that emerged from the data was about regionalism and disharmony. This is one area where all experts agreed that the advent of democracy has created regionalism and disharmony. The voting pattern since 2008 has shown that the country is divided among party lines. While disharmony within communities and families were alarming in the early stages of democracy, it has been decreasing as people have become more aware of the democratic processes. However, most expert participants suggested that the Bhutanese political system must review the role of party coordinators and even suggested doing away with party coordinators. Party coordinators known as Tshogpas in Bhutan are considered the primary cause for creating division, regionalism and community disharmony.

Short term politics is another issue that was considered to hamper the long-term development of Bhutan. Several experts confirmed instances of short sightedness in the plans and policies the government formulates and cited the 'mobile vouchers discount' and 'short-term subsidy on fuel' as examples. Parties going for short term and popular pledges is the biggest challenge and obstacle to the sustained pursuit of GNH and wellbeing. It is of urgency to craft the long-term 2050 vision, to address those short-term politics.

A potentially transformative idea that emerged from the expert interview was for Bhutan to pursue GNH based on the changing needs of the country. GDP and SDG will always be aspects included in GNH, and that GNH must be dynamic. As the country progresses, the requirements are going to change. Therefore, policies must be geared towards prioritising some indicators over others, based on changing needs. This concept is a point of departure from the conventional GNH framework which has always developed policies by taking in GNH holistically.

Bhutan has the unique advantage of the farsighted leadership of the benevolent Monarchs. The great Monarchs ultimately ensure that it is the country and the nation that benefits. Bhutanese policies are subjected to real tests of sustainability and long-term need.
However, it is the responsibility of institutions to impart understanding about global, regional and local change, through civic education. The political enthusiasts, policy watchdogs and researcher should follow the discussion on the amendment of the LG ACT and the Mines and Mineral Bills in the future. All of the governance issues explored in this thesis, including clientelism and political interference, will play out in the manner the politicians, introduce, discuss, and pass these Acts and Bills.

Chapter 9: Synthesis: Towards a Policy Model for Sustainable Wellbeing and Happiness

9.1 Introduction

Drawing from the expert interview data, this chapter weaves the contextual elements of the entire thesis together. It synthesises the key issues I have identified through my study into the political economy of Bhutan's GNH. This synthesis chapter explores concerns with government performance, practical and policy challenges, barriers in implementing the GNH framework, and the state of operationalisation of GNH with the advent of democracy within Bhutan, and in the global policyscapes. The key themes emerging from the study are government performance in reducing the gap between rich and poor; job creation; practical and policy issues in maximising GNH and the policy options thereof; and the nexus between GNH, SDG, and GDP in the GNH narrative.

9.2 Government Performance in Reducing the Gap between Rich and Poor

Governments worldwide face significant challenges in reducing the gap between rich and poor. Evaluating the overall performance of governments in income inequality is complex and varies across countries (OECD, 2019). While some expert participants in this study are seriously concerned about rising income inequality, some feel that socioeconomic disparities are a natural process as the country develops. Globally, governments address income inequality through various interventions such as: progressive taxation (where higher tax rates apply to high income earners than to low income earners (Piketty & Goldhammer, 2014); implementing a series of social welfare programmes such as income transfer, cash assistance, unemployment benefits and food stamps (Ravallion, 2016); enacting minimum wage laws (Doussard & Schrock, 2023); undertaking education reforms (Hanushek et al., 2013); and progressive wealth redistribution through inheritance tax and wealth tax (Saez & Zucman, 2019).

However, for Bhutan, the expert participants interviewed for this study focused not so much on inequality between the 'rich' and the 'poor' but on other systemic sources of inequality that could not be addressed by tax-transfer policies alone. Indeed, out of 28 expert participants, only one expert participant, Dr. Sonam, suggested progressive taxation to address income inequality. In contrast, expert participant Aum Tandin argued that the current business income tax of 30% is already high, as Bhutan is at a stage of pursuing private sector growth. In their view, any increase in tax would mean the prices of goods will increase and would cascade down to the customers. Aum Tandin further argues that *"if everything had to be raised from the taxpayers' alone, we will have this further divide."* Expert participant Dr. Lhawang said progressive taxation in Bhutan is a bit trickier and a bit more difficult as Bhutan does not have many rich people *"and the danger is when countries try to tax the rich ones, they move their income away from the country."* Expert participants PM1 and PolicyL2 suggested a development tax should be introduced instead. While

Bhutan already has a progressive taxation policy, there is no policy for an inheritance and wealth tax (Parliament of Bhutan, 2021). Notions of wealth and inheritance tax do not seem to have political support thus far. The expert participants in this study suggested introducing a wealth and inheritance tax. One of the reasons wealth taxes have not yet been pursued in Bhutan is the clear requirement to fund social welfare programmes through mechanisms other than taxation. Both the literature, and the expert participants confirmed that the social welfare programmes are already extensively and successfully implemented under the Kidu programme. The Kidu functions as a welfare system under the prerogative of the King of Bhutan. This system effectively picks up a means-tested social assistance to address inequality through redistribution of land, providing educational scholarships, and support for the wellbeing of the elderly (Ugyel, 2018). Shaw (2015) who studied Bhutan's Kidu system, describes it as a "kidu Democracy" (p.20) to suggest that it is a democracy with Bhutanese characteristics as it supports the rights of the common man and woman to a basic livelihood and functions as a support system in time of need.

The Bhutanese expert participants departed from most of the international literature cited above on progressive taxation, social welfare programmes, and minimum wage laws. The Bhutanese policy experts instead addressed rural and urban inequality, gender inequality, and inefficient governance systems to reduce the gap between rich and poor. These themes are discussed in the following subsections.

9.2.1 Rural-Urban Inequality

Reducing the current rural-urban divide was one of the dominant themes among expert participants. They fiercely criticised the limitations in economic development policy that failed to cater to a regionally balanced development, and the current education system that created disparities in the quality of education between urban and rural schools. Several expert participants claimed that inequality in Bhutan is a rural phenomenon which produces an urban drift and adds to urban poverty. The narrative is that many poor people in the rural areas migrate to urban areas in search of opportunities, and thereby add to the numbers of the urban poor. According to the policy experts, imbalanced regional development is the root cause of the rural-urban divide in Bhutan. They cited issues such as limited infrastructure, lack of facilities, shortage of water for irrigation, human-wildlife conflict, and a need for better education for children- all factors which force people to move to urban areas. All these constitute push factors for rural inhabitants (Sherbinin et al., 2007). Yet, urban areas also have problems, such as job shortage, expensive housing, and not enough facilities for the urban dwellers. Several studies have highlighted the complex web of factors that correlate with economic, environmental, and rural-urban migration, and these factors are common in developing economies. Close to Bhutan, shortage of water for irrigation, and human-wildlife conflicts are seen as significant factors for rural-urban migration in India (Jayaraman & Lanjouw, 1999; Mishra & Pani, 2018), and in Nepal (Dahal et al., 2022). Other studies pointed to housing

affordability, inadequate facilities for the expanding rural influx, and the mismatch of skills leading to job issues in urban areas (Banerjee et al., 2008; Mitlin & Satterthwaite, 2013)

That inequality in Bhutan as a rural phenomenon is evidenced by the GNH survey, which shows that farmers are the least happy groups and that general urban dwellers are happier than rural dwellers (Centre for Bhutan and GNH Studies (CBS), 2016). The latest Population and Housing Census of Bhutan (2017) showed that internal migration is still dominated by rural-urban migration, with 21.7% of people migrating from rural to urban areas, while only 4% migrated from urban to rural places. The most cited reasons for migration are employment, family migration, and education. The migrants are mostly a young cohort of people 25-29 years old, where the median age is 26.9 (National Statistics Bureau, 2018b). The dominant reason that contributed to rural poverty and rural poor migrating to urban areas is lack of employment, which may not be surprising considering that 60 percent of the business establishments were concentrated in only 6 out of 20 dzongkhags (districts), and 64 percent were located in urban areas (National Statistics Bureau, 2018a). The government is increasingly implementing policies for rural livelihood through its five - year plans. The National Key Result Areas of the 12th Five Year Plan (2018-2023) strategic framework have been formulated in a manner that contributes towards maximisation of GNH to ensure particular focus on psychological well-being, community vitality, and time use. This plan focuses on further decentralisation and almost doubles the share of financial resources to Local Government (Gross National Happiness Commission, 2017).

The second dominant factor that contributes to rural urban migration is education, specifically quality education. Education in Bhutan is free, and accessible to all. There are extended schools for any small settlement with more than 10 children. However, the expert participants agreed that the quality of education is better in the urban areas of Bhutan. Thus, the National Education Assessment pointed out that, for example, class three (Year Three) students from higher-income families consistently performed better in English reading literacy and Mathematical literacy (BCSEA, 2023).

The Poverty Analysis Report 2022 showed that the poorest 20% of the population in Bhutan consume 8.8% of the share of expenditure, whereas in contrast the richest 20% consumes 37.3%, which is more than four times that of the poorest. The Gini index which measures inequality is at 0.285. It is higher in rural areas (0.29) as compared to urban areas (0.26) (National Statistics Bureau, 2022a). Bhutan's inequality, however, is low compared to many countries, and less than that in the neighbouring countries. For example, in India the top 10% share of income is 57.1%, whereas the bottom 50% share of income is 13.1% (Chancel et al., 2022).

Like all countries, Bhutan is experiencing rapid demographic and socio-economic change, and this transformation involves a shift from a predominantly rural to an increasingly urban society. This trend does not sit well with the GNH policy of cultural diversity and community vitality. The

GNH infused policies enabled the protection of more than half the country as National Parks, wildlife sanctuaries, and biological corridors. Felling trees, hunting wild animals including retaliatory killings are prohibited under Bhutan's Forest and Conservation Policy (National Plant Protection Centre & WWF-Bhutan, 2016). Close to the literature above, the expert participants recommended Bhutan should draft a political economic policy to realise a vision for "urban-wellbeing," and "rural-prosperity," where the farmers are able to feed the urban dwellers, so that money from the urban dwellers can go back to the farmers.

9.2.2 Gender Inequality and Income Inequality

While Bhutan ranks number one in South Asia in terms of protection of the environment, quality of governance, political stability, absence of corruption, human development index, and performance in SDGs (Bhutan Transparency International, 2019; Institute for Economics and Peace, 2023; Sachs et al., 2023; Transparency International, 2022; UNDP, 2023), Bhutan ranks relatively low in terms of gender equality. For example, Bhutan ranks fifth out of nine South Asian countries in the global gender gap index. Gender inequity plays a significant role in income inequality and affects societal and economic outcomes (Blau & Kahn, 2017; Elborgh-Woytek et al., 2013; Santos & Klasen, 2021). Studies indicated that women's education and entry into the workforce contributes to social and economic wellbeing and happiness (Morais Maceira, 2017; Qian, 2017; Steot & Geary, 2019). Studies also show disparity in wages, disproportionate representation of women in lower paid jobs, and under representation of women in higher paying sectors like technology and engineering (World Economic Forum, 2022), as well as the motherhood penalty (Budig et al., 2016). Women earn 20% less than men globally on average (International Labour Organisation, 2020). The Global Gender Gap Index published annually by the World Economic Forum benchmarks the current state and evolution of gender parity across four key dimensions. They are economic participation and opportunity, educational attainment, health and survival, and political participation (World Economic Forum, 2022). In this report, Bhutan ranks 126th out of 146 countries. The disaggregation of data shows Bhutan ranks 126th in economic participation and opportunity; 111th in educational attainment; 125th in health and survival; and 125th in political empowerment.

Bhutan has proudly claimed being a matriarchal society, but seems to be failing its women (Tobden, 2020). In South Asia, women's representation in national parliaments in 2020 is extremely low in general, and Bhutan (8%) can be found closer to the bottom of the list when compared with Nepal (29.9%), Afghanistan (27.7%), Pakistan (20.6%), India (11.8%), Sri Lanka (5.8%), and the Maldives (5.9) (Tobden, 2020). Globally, women's share of total income from work stands at less than 35%, and men at 65% (Chancel et al., 2022).

Extensive research on gender equality studying both antecedents and consequences show that women's disadvantage stymies economic growth and societal advancement across developed and developing world (Belingheri et al., 2021). In this study on "20 years of gender equality

research," the authors undertook a meta data analysis of 15,465 scientific articles. The analysis showed that the prominent research topics mostly relate to women in the workforce and focused on wages, compensation, role, education, decision making and career progression. While some of these topics are losing momentum, research trends on female entrepreneurship, leadership, and participation in the board of directors are recently emerging areas of research. Close to the international literature, the policy experts in this study emphasised gender inequality in Bhutan in terms of inadequate representation of women's administrative and political leadership and the absence of women's voices in the policy making process as silent features that contribute to inequality in Bhutan. Much of what they said echoes the international literature. Their views are further backed by the GNH survey which showed women as less happy than men in Bhutan (Centre for Bhutan and GNH Studies (CBS), 2016). Since 2008, the Bhutanese government, since 2008 has been making concerted efforts in policy as well in budgeting frameworks to address these disparities. The national plan of action for gender in the 10th Five Year Plan (2008 - 2013) included provisions for; creating a gender friendly environment for women's participation in elected offices and including political and local government positions. The11[th] Five Year Plan (2013 – 2018) featured women's representation in the parliament; women's representation in Local Governments; Gender Parity Index in tertiary education; female unemployment; Gender Equity Index; and female participation in management positions in the public sector in the 12th Five Year Plan (2018 – 2023) (Tobden, 2020). Despite several projects, education, and increased awareness, women participation in political positions still remains low. The latest National Council elections in Bhutan in April 2023 saw only five female contestants out of 90, and only one was elected. Surprisingly, according to the figures from the Election Commission of Bhutan (Election Commission of Bhutan, 2023) there were more female voters (51.26%) than male voters. This raises a critical question about why women are not voting for women. Women's future participation in elected positions largely depends on the "significant success and delivery of the current women leaders" (Tobden, 2020, p. 13).

The expert participants suggested that the government should develop policies to enhance women in leadership, and decision-making positions. A closer investigation of the nine domains and 33 indicators of GNH (*See Figure 5*) shows that gender equality does not feature in any of the domains and indicators. Gender equality is rather pursued through National Key Result Areas of the five -year plans.

9.2.3 Inefficient Governance and Administration Systems: Obstacles to Enhanced Public Service Delivery.

The index of government effectiveness captures perceptions of the quality of public services, and the degree of its independence from political pressure, quality of policy formulation and implementation, and the credibility of the government commitment to such policies (World Bank, 2022). In terms of global government effectiveness, Bhutan ranked first place in South Asia.

However, ranked 46th place in the world. Good governance including effective administration systems is crucial in delivering public services, as these are the machinery of the government. Good governance provides a strong link between policy makers, service providers, and the communities they serve (World Bank, 2004). Effective administrative systems encompassing transparency, accountability, and participation are significant factors in ensuring quality public service delivery (Andrews et al., 2017; UNESCAP, 2009). Inefficient government and administrative systems often exacerbate the gap between rich and poor, despite the pressing need to address this persistent global issue (Acemoglu & Robinson, 2012; Elenbaas et al., 2016; Moyo, 2018; Piketty & Goldhammer, 2014; Stiglitz, 2012; Transparency International, 2020). These authors identified various factors that contribute to the increasing gap between rich and poor as a result of inefficient governance and administrative systems. Thus, Piketty and Goldhammer (2014) and Stiglitz (2012) cited policies that disproportionately benefit the wealthy; Elenbaas et al. (2016) discussed poor allocation of resources; Transparency International (2020) focused on corruption and lack of transparency; and Acemoglu and Robinson (2012) analysed the role of weak institutions; while Moyo (2018) explored the effects of inadequate policy implementation.

For Bhutan, unfavourable policies and corruption do not feature as prominent causes of income inequality, as Bhutan consistently ranks among the least corrupt nations and has made significant strides in human development indicators. Instead, inefficiency in resource allocation, gaps in skills and resources (Asian Development Bank (ADB), 2022), petty corruption and nepotism (Bhutan Transparency International, 2019), and administrative inefficiencies (Kasho, 2021a, 2021b) were identified as the factors that affect income inequality in Bhutan. In line with the literature on Bhutan, the expert participants echoed that good governance and effective administration systems are crucial in delivering public services, as these are the machinery of the government. The political economy of GNH is that its three pillars of socio-economic development, preservation of culture, and preservation of environment, are to be implemented under the framework of the fourth pillar, which is good governance. One of the dominant themes that emerged from the expert participant interviews was that inefficient governance, and administration systems were obstacles to enhanced public service delivery. Expert participant Aum Kunzang worked with the GNH Commission and shared firsthand experiences of how the Commission is committed to addressing inequality in Bhutan, but the intended results were not achieved due to inefficient systems, governance, and administration. The expert cited issues with coordination, lack of continuity in the systems, lack of awareness, and lack of capacity of the people working for such programmes. Efficiency of public service delivery has been a recent issue discussed in the public domain in Bhutan. His Majesty the King's Kasho (the Royal Decree) on the Education Reform and the Royal Civil Service Reform issued on 17th December 2020, reinforced the importance of these issues. The Royal decree pointed out that despite several attempts to improve the competencies and

performances of civil servants, "the core impediments against the development of a more professional and efficient bureaucracy remain entrenched in the system" (Kasho, 2021a, p. 1). The Kasho also pointed out the civil servants' mentality of protected employment, and guaranteed seniority have compromised skills and competencies; that corruption risks being institutionalised as a norm while accountability is minimal; and that agencies pursue isolated sectoral objectives while administrative processes burden efficient service delivery. Communication and coordination have been further side-lined in the quest for autonomy by different agencies; and divisions and units proliferate to justify the creation of more departments; with the result 35% of services are delivered by one government agency to each other rather than to the people (Kasho, 2021a).

The Royal Decree mandated that a Civil Service Reform Council be established to fundamentally restructure the Civil Service in Bhutan. The aim of such a restructure would be to ensure that it has a renewed vision for the 21st century that would form the unshakeable foundations of a vibrant democracy and create the material conditions for realising GNH. It further stated that Bhutan must translate the large size of civil service proportionately to improve its service delivery and prevent bureaucracy from becoming an impediment to Bhutan's national development and progress. The civil service should take on board legitimate concerns over the sense of complacency and indifference generated by the job security offered to its staff.

9.3 Government Performance in Creating Jobs

In the realm of employment, the political economy of job creation occurs at the intersection of economics and politics. It is a complex issue as the role of state actors, market dynamics, power relations, and global forces are largely influenced by political forces and policy dimensions. In a long standing debate, Keynesians for example argue that governments must actively intervene to stimulate job creation (Keynes, 1936), however, other scholars like Friedman conversely argue for laissez-faire economics where markets self-regulate and stimulate entrepreneurship and job creation (Friedman, 2016). The factors that influence governments to create jobs include political stability (Aisen & Veiga, 2013); globalisation and outsourcing (Bhagwati et al., 2014); inequality (Stiglitz, 2012); and sustainable development (International Labour Organisation, 2018). These authors argued that political stability is a critical factor in job creation as political instability deters economic growth and impedes job creation; globalisation and outsourcing of jobs to cheaper labour market can create job losses in a particular country; instances of high inequality can inhibit overall economic growth; and a huge emphasis on sustainability and green growth can result in job creation. Politically, Bhutan is a fairly stable country, there is no evidence of outsourcing production or services to other countries, and inequality is not a significant issue compared to other countries in the region. However, policies geared towards sustainability and green growth (The expert participants) and environmental regulations (Acemoglu et al., 2012; Bowen & Kuralbayeva, 2015) could have limited the government in creating jobs.

Creating jobs under government performance was the least sufficient factor rated by the people of Bhutan in the GNH survey (Centre for Bhutan and GNH Studies (CBS), 2016). It directly shows that a large number of unemployed people are not happy with the government performance for not being able to create jobs for them. Departing from the factors of influence on government to create jobs listed above, the expert participants in this study cited factors such as mismatch between jobs and skills; limited private sector growth to generate jobs; and lack of systemic coordination as challenges in the Bhutanese system. The issues, challenges, opportunities and policy options are discussed below.

9.3.1 Mismatch Between Jobs and Skills

The World Economic Forum (2020) stated that the disparity between job seekers skills, and employers requirements has been a significant factor in both developed and developing economies contributing to unemployment and underemployment. Several studies have cited lack of technical competencies, lack of qualified applicants, and a mismatch of skills required for the jobs among job seekers. Globally, 77% of employers struggle to find technical competencies among job seekers (Manpowergroup, 2022), nearly half of small businesses could not find a qualified applicant (National Federation of Independent Business, 2020), and that job seekers' skills do not match with the current job market (International Labour Organisation, 2019).

The mismatch between jobs and skills is likewise a problem in Bhutan. Expert participants believed that the Bhutanese education system focuses on "soft" subjects, and not so much on vocational training elements. Close to 10,000 Bhutanese youth are currently unemployed, and the university produces more than 2000 graduates annually. On the other hand, Bhutan imports about 50,000 labourers from neighbouring countries especially India. This indicates that there is demand for technical skills, but most of the graduates looking for jobs are from general degrees. Expert participants commented that *"our situation is more about mismatch of jobs."* Secondly, the Bhutanese job seekers, especially youths, are not interested in the agriculture sector. Third, the expert participants considered the Bhutanese job seekers to be culturally and educationally biased in favour of white-collar jobs. Fourth, easy access to imported labourers have suppressed the wages for labouring jobs. So, a labour market that has had access to cheap and unlimited supply of imported labour has suppressed wages in Bhutan. Expert participants noted *"we have farm labour shortages, while the government wants to achieve food sufficiency. We have construction labour shortages, when the government is heavily investing in building infrastructure."* These suggests that Bhutan has to review the unemployment scenario critically to address these issues. The major issue is youth unemployment, rather than unemployment as a whole.

Youth in Bhutan is defined as persons of ages between 14-24 years, and this group constitutes about 20% of the population (National Statistics Bureau, 2022b). The overall

unemployment rate of 5.9% (National Statistics Bureau, 2023a) is considered normal as unemployment rates have surged across the globe, during the COVID-19pandemic. In 2021, India's unemployment was 7.7%, Nepal's 12.2%, South Asia's average was 7.3%, OECD members was 6.2% and New Zealand's was 3.8%, while Bhutan's unemployment rate that year was 3.9% (World Bank, 2021a). Thus, the overall unemployment rate itself is not alarming, however, the youth unemployment rate at 28.6% is. The major reasons for youth unemployment are that 21.4 % either lack adequate qualifications, or their qualifications do not match the requirements of the market, and that 77.5% of the unemployed people prefer to work in government jobs (National Statistics Bureau, 2023a).

In addition to the mismatch of supply and demand of skill, the other prominent factor is the youth's preference for office jobs over physical and manual labour and the limited absorption capacity in the job market (Asian Development Bank (ADB), 2018; National Statistics Bureau, 2022b). An inferential analysis on determinants of youth unemployment in Bhutan showed that the youths who prefer civil service are 21 times more likely to become employed as compared to those who prefer working in the private sector. In contrast, youths with skills training are 45% less likely to remain unemployed. In accordance with what the experts said, studies both from Bhutan (National Statistics Bureau, 2022b) and elsewhere (Isengard, 2003) shows that the level of employment depends on whether someone has a vocational education, and that occupational skills for a specific vocation carries more weight than school education. Other reasons for unemployment are the impact of technological advancement, as new technologies require new skills and competencies (Lund et al., 2021) resulting in job seekers whose skills are no longer in demand (World Bank, 2021c).

Almost all of the expert participants voiced that unemployment, especially youth unemployment has been a major focus in the Bhutanese policy making and resource allocation domain. The experts also voiced their frustration with various significant projects whose huge financial contributions to address unemployment had not achieved their goals (for details see Chapter 6, section 6.2). Addressing unemployment requires significant commitment, focus, and investment from various sources. It requires a future responsive curriculum in education and training that is responsive to evolving industry needs as these will be crucial for the future of work (OECD, 2020; World Economic Forum, 2020). The expert participants in this study suggested the urgent need to create awareness on the importance of blue-collar jobs and remove white-collar job biases, enhance skilling programmes, and that the blue-collar jobs must be well remunerated. As evident from the Bhutanese happiness literature (Centre for Bhutan and GNH Studies (CBS), 2016; Wangdi, 2019) the perceived sources of happiness for the Bhutanese people centred around the success of significant others such as children and siblings, therefore, it is of utmost urgency to

address youth unemployment in Bhutan to achieve sufficiency in happiness and wellbeing, for a wider section of society than the youths themselves.

9.3.2 Private Sector Growth to Generate Jobs.

There is empirical evidence that the private sector plays a central role in economic growth and job creation and contributes to employment (Acs & Audretsch, 1993; International Labour Organisation, 2023; Mankiw, 2012). Research has shown that an enabling environment for the private sector to thrive is essential, and governments and policy makers must facilitate ease of doing business, access to finance and promote innovation, as these factors foster job creation, thereby enabling employment for the Bhutanese youth. A dominant point repeated by various expert participants that were interviewed for this study was that only the private sector can create jobs, the government cannot create jobs. Therefore, the government must create policies conducive to private sector development. However, the experts found that too much focus on GNH is limiting the growth and development of private sectors in Bhutan. Expert participants said that the GNH narrative should not be misunderstood as non-private sector friendly. There is a general notion that the private sector breeds inequality, that inequality breeds social problems, and social problems do not achieve happiness. Expert participants Hon'ble Dr. Passang said *"we are starting to misunderstand that private sector growth is not GNH friendly. I think that is going to be a major policy mistake from us. I think we are riding on flawed arguments to defend GNH."* He argued that without private sector vibrancy there will be no creativity, no innovation, and no passion, and no growth, and without all these elements happiness will not be achieved. The expert participats suggested private sector development with Bhutanese and Buddhist values. The Bhutanese and Buddhist economies were discussed in detail in Chapter Two.

The expert participants discussed whether there are other options, besides the private sector. The only other option they identified is the civil service but they acknowledged that it has limited capacity to absorb all those youth. Bhutan's economy has been driven by the state, which is not sustainable. Among the total employed persons in Bhutan, the lowest is in the industry sector with 13.7%, while the highest is in the agriculture sector with 43.5%, and the service sector employs 42.8%. There are debates about whether the mines and minerals businesses should be nationalised and operated by either state-owned enterprises, as argued by a socialist school, or be privatised, which is a capitalist school opinion. The experts suggested that Bhutan must take the middle path, namely a responsible ethical capitalism, a capitalism driven by Buddhist economics. Bhutan is already suffering from unemployment and the youths are seeking opportunities outside the country. Expert participant Dr. Karma warned that, youth emigration will certainly bring unintended or unforeseen cultural friction within the country.

9.3.3 Lack of Systemic Coordination

A persistent challenge in the job creation process among many economies is the lack of systemic coordination among key stakeholders. Key stakeholders such as government, non-government, educational institutions, and private sectors must work together, as any lack of connection between these institutions can lead to a skills mismatch, overlapping efforts, inconsistency, and conflicting policies resulting in high unemployment and underemployment (Froy & Giguère, 2010; Huggins & Thompson, 2015; International Labour Organisation, 2023; Quiggin, 2010; Valiente et al., 2020).

Lack of systemic coordination is a constant issue that emerged from the interviews across all themes. Expert participant PoliyL2 pointed out a detailed systemic failure in unemployment issues. While the job creation mandate is with the Ministry of Labour and Human Resources, which enact labour policies, and train people, they do not have a means to create jobs, as they are not fundamentally involved in the economy. The actual custodian of the economy is the Ministry of Economic Affairs, but they do not have resources to create jobs. The resources are with the Ministry of Finance as the entity who collects the national revenue, but the planning has to come from GNHC. The expert participants suggested a coordinated, and consolidated systemic approach needs to be built established. The level of coordination needs to be there within the government agencies to ensure that there is a holistic government approach in terms of building the skills, enhancing the skills, and creating the job that needs to be created for the society which then ensures the livelihood of the people.

9.4 Practical Challenges in Maximising GNH

The section above discussed the primary challenges in maximising GNH, especially in terms of government's performance in reducing the gap between rich and poor, and the government's performance in creating jobs. Having understood from the interview data the issues and challenges in government performance, it is logical to then look at the practical and policy issues in maximising GNH. This and the next section (9.4 and 9.5) delve into the practical and policy challenges in maximising GNH. The expert participants commented that while Bhutan is increasingly engaging in seminars, debates, and discourse on happiness, there is also an increasing number of socio-economic problems that affect the sufficiency level of happiness. As a group, they identified factors such as the need for GNH education for all citizens competing ideas and vested interests' groups; the absence of a citizen driven economy; and the hierarchical structure of governance, as practical challenges and barriers to maximising GNH. These factors are discussed in the following sections.

9.4.1 GNH Education

The expert participants claimed that the Bhutanese live and breathe GNH and GNH is about achieving goodness of human beings by adding value to the quality of life. However, the expert participants cautioned that there are three notions that govern the discourse: First, the wrong notion that everything is perfect in Bhutan since the adoption of GNH; second, the mistaken notion that GNH should

apply mostly at academic and policy levels; and third, that there is a need to have a common narrative of GNH. There are concerns among the experts that the spread of the mistaken notion that Bhutan is the happiest country in the world and all Bhutanese are smiling irrespective of their problems, is not true. Bhutan as a country, as an economy, as a society, and as a member of the global community, shares the concerns and problems of any other developing economy. Second, the expert participants said that GNH as a concept or a development paradigm is highly intellectually academic. Education and advocacy on GNH to the general population is crucial. This would involve teaching GNH at the implementational and operational ground level. Third, there must be a common GNH narrative. Expert participant Aum Tandin, who works with the GNH commission, noted that *"the need for a very Bhutanese narrative on what GNH means may not have been communicated well."* After several years of working in key policy institutions, the expert believed that the most common confusion is that some people believe GNH is about individual happiness, whereas the focus of an GNH led government is on creating collective happiness.

GNH policy documents state that GNH is a holistic development, and that the government must create a conducive environment as it places high emphasis on happiness, rather than GDP (Centre for Bhutan and GNH Studies (CBS), 2016; Royal Government of Bhutan, 2008). The narrative at the policy level is very clear that GNH should be looked at as a collective form of happiness. Almost all the expert participants referred to His Majesty the King, Jigme Khesar Namgyel Wangchuck, saying "GNH is development with values." The expert participants argued that the *government,* and particularly think tanks like CBS, as well as central policy and planning institutions like the GNH Commission should formulate a common narrative. Most of the expert participants recommend communicating the definition of GNH to a wider audience, so that everybody gets to understand the common Bhutanese narrative on GNH, instead of confining discourses on GNH only to a certain group of people from the civil society, the government, or international communities.

This study asked the expert participants about how they define GNH. Across 28 expert participants of diverse backgrounds, the most dominant narratives are that (1) GNH is development with values; and (2) a national belief system that maximises collective wellbeing through sustainable policy, enabling cultural and environmental preservation, socio-economic development, and work-life balance. Based on this form of envisioning, therefore, GNH is a timeless vision, where public service delivery is most efficient, and the rule of law is central and upheld. GNH enables governance bodies to think long term as well as to be present in a very Buddhist sense. GNH, provides the clarity of what it means to pursue everything in moderation, and the need to balance ideas and thoughts.

Education and advocacy are the two vital elements of the success of any public affairs policy. The contingent is profoundly influenced by the strategy adopted for its introduction and execution (Jansson, 2017). Education and advocacy are intrinsically linked. On the public education

front, the government could use briefings, public service announcements, and digital media, while on the advocacy front, the government could use lobbying, public speeches, and conducting community outreach programmes. While education is required for citizen's comprehensive understanding of policy, advocacy helps in gathering support for its effective implementation (Jansson, 2017; Kraft & Furlong, 2020; Sabatier & Weible, 2014; Smith & Larimer, 2017). The expert participants in this study suggested codifying a common narrative of GNH. This narrative could very well be, "that GNH is development with values."

9.4.2 Competing Ideas and Vested Interests: Tension between Democracy and GNH

The expert participants commented that some degree of competing ideas and vested interest groups among the policy makers, are emerging in Bhutan. They cited examples from the ongoing debates in the parliament and in the Bhutanese policy domain regarding tourism policy, the mineral and mines policy, and the proposed amendment of the Local Government Act. The current tourism policy of "high value, low volume" which is based on the principles of GNH, restricts the volume of tourist coming to Bhutan. However, the hotel industries have lobbied the legislators and policy makers to make the tourism policy more liberal and open, so that Bhutan could receive an increased influx of tourists. There are also vested interest groups who have lobbied the legislators to amend the Mineral and Mines Bill 2020, that favours the few rich owners of Minerals and Mines. Expert participants suggested that in a democratic Bhutan, the key political economy challenge Bhutan could face is from these vested interest groups and the lobby groups that have a sway over the government of the day. At a broader political economy level, the idea of democratic competition provides some tensions between different groups and that someone's position on the issue depends on where a person sits. For example, the experts cited that a rich person who has over three decades in mining and living off mining resources would not want to really support GNH and the idea of a just and harmonious society. Within the parliament, some members of parliament are proposing to amend the Local Government Act. According to some expert participants, this is to push forward their own interests, to have a role as a Member of Parliament in local government development and spending.

In the realm of policy implementation, a myriad of competing ideologies and vested interests exist. These ideas and vested interests are driven by varying ideological, economic, socio-cultural, and political perspectives. The competing narratives and vested interests mobilise quickly to endorse or oppose each other in policy battles (Sabatier, 2007; Sabatier & Weible, 2014; Weible, 2023). While some studies show that diverse ideas are a fundamental element of democratic governance and bring robustness to policy discussion and implementation (Habermas, 1991), others argue that it leads to stalemate situations and further complicates the policy landscape (Kingdon, 1995; Stigler, 1971). Policies are generally stable in Bhutan, however, any change in the balance of political power and consequent policy changes causes a punctuation in the status quo (Baumgartner

& Jones, 2009; Desmarais, 2019). Therefore, good governance requires mechanisms, approaches, and frameworks that checks the intricate interplay of ideas and interests.

For Bhutan, the essence of political economy has to be in understanding the profound vision and the philosophy behind the Constitution. To pursue and sustain the idea of GNH, people really need to understand and internalise the vision and the trust behind Bhutan's constitution. The Bhutanese constitution states that the state shall pursue fair market societies. All these ideas show that the political economy directions given by the Constitution is towards a fairer society, a just society, a harmonious society, and that should guide the Bhutanese.

9.4.3 Hierarchical Structure of Governance

Hierarchical structure of governance is characterised by an organised structure of ranks, where authority trickles through a 'top-down' approach (Stoker, 2011). Mintzberg stated that hierarchical structures of governance can significantly influence the performance of governments. It is a critical system in many governments globally (Mintzberg, 1989, 2023). Some studies have highlighted the positive implications of hierarchical structures of governance such as enhanced efficacy of decision making, increased effectiveness in policy implementation, clear chains of command, enhancing control and coordination in the government, and clear lines of accountability (Moe & Gilmour, 1995; Pollitt & Bouckaert, 2011). Others emphasise the negative implications of a hierarchical structure of governance, arguing that it can lead to rigidity and bureaucracy, induce communication breakups, delay the decision making process, negatively impact government performance, increase risk of power concentration on the top, foster corruption and undermine the democratic process (Bardhan, 2002; Osborne, 1993; Peters, 2010).

While a hierarchical structure of governance are prevalent in most countries, such as the US, Germany, Australia, India, and Canada (Bhattacharyya, 2018; Cairns, 1977; Elazar, 1988; Twomey & Withers, 2007; Watts, 2008), the degree of hierarchy varies significantly depending on the country's specific governance model. Switzerland, for instance, relies on autonomy for the Cantons and direct democracy (Linder & Vatter, 2001). The expert participants in this study identified two folds to the issue of hierarchical structure of governance in Bhutan; the first is that the structure of governance is hierarchical both in nature and operation; and second the idea of civil service, as servants to provide the service to the citizens, is yet to dawn in the minds of the bureaucrats. His Majesty's Kasho (Kasho, 2021a) was pointing to exactly that. It states that there is an inherent gap between the values and the behaviour both at an individual and a collective level, and a gap between policy articulation and ground level realities. Expert participants said the attitude and the terminology used in the Bhutanese civil service system itself still bears the connotation and mindset of the 20th century. The mindset is that civil servants are serving the government, not the people. Factors that contributed to this hierarchical structure of governance, according to the experts, are that Bhutan has not moved away from the medieval court system of governance, which was strictly

hierarchical, along with the stagnant elements of the system of governance which Bhutan inherited from the neighbouring countries.

9.5 Policy Challenges in Achieving GNH.

In addition to the practical challenges discussed in section (9.4) above, there are also several policy challenges that impact on the implementation and enhancement of GNH. Experts cited a number of policy issues in this context, such as conflicting policies, issues in policy implementation, inadequate consultation on policy framing, and lack of research and data input for policy framing.

9.5.1 Conflicting Policies

One of the pertinent issues in policy in Bhutan is the conflict between macro-economic objectives and social-economic development objectives. Most experts cited examples of the nexus and the tension between economic development policies and the GNH policy of environmental and cultural preservation. While economic independence is crucial for people's happiness and wellbeing, environmental restrictions and stereotypical cultural norms and practices constrain economic development. The most contested area is between ecology versus the economy. While GNH requires Bhutan to maintain its natural environment, economic growth is equally important. Bhutan has pledged to maintain its environment to the extent of maintaining carbon neutrality and preserve its culture. On the other hand, Bhutan has also pledged to be an economically progressive and independent economy, as economic independence from aid partners is key to Bhutan's independence. The expert participants cautioned that relying on other economies has made Bhutan susceptible to the whims and fancies of the economic policies of its neighbours. Therefore, it is important that Bhutan pursue economic independence and economic growth vigorously while also trying to balance the requirements of GNH. One particular example is the policy tension between the World Trade Organisation (WTO), Foreign Direct Investments (FDI), and Bhutan's environmental and cultural policies. Bhutan's GNH policy of environmental and cultural preservation has restricted Bhutan from joining the WTO.

As discussed in Chapter Two on the policy screening tool, all policies in Bhutan are screened through the GNH policy screening tool, and the purpose of this policy is to approve GNH enhancing policies and projects and reject those that adversely affect the key determinants of GNH. Since the introduction of GNH policy screening, 12 policies have been approved for use by the cabinet in 2009 (Ura, 2015), and Bhutan decided not to join the WTO. The Economic Development Policy was approved after several rounds of discussion and confirmed its alignments with GNH policy. For example, the economic development policy was approved after the policy settled on minimal targets for the manufacturing, polluting industries, and mining sectors with stringent rules on environment conservation, reducing waste, and not on increasing the scope of these sectors.

9.5.2 Challenges in Policy Making.

Policy making is guided by multiple theories and influenced by numerous factors, making it a complex and multifaceted process. It follows iterative review loops between stages and a series of identification, formulation, adoption, implementation, and evaluation (Jann & Wegrich, 2007). Institutions play a crucial role in policy making: the most significant roles are to establish the context within which the policy actors operate, and to mobilise key stakeholders (Peters, 2019). Public involvement and participation in the policy making process is crucial to enhance transparency and understanding of societal needs (Fung, 2006). Policy has to be evidence based, to ensure robust empirical evidence and rational decision making (Parkhurst, 2016). Policy evaluation is a critical stage to assess the effectiveness of a proposed policy, to modify the policy, and to understand if the policy is achieving the intended purpose (Meier, 1998; Vedung, 1997). While these are the desired processes in devising a sound policy, there are also a number of challenges associated with each process. For example, institutional structures and norms highly influence the level of innovation and change (Peters, 2019). Power imbalance and access to information influences the level of public engagement in policy discussions (Fung, 2006). Political considerations, access and quality of evidence could influence the integration of empirical evidence into policy processes (Parkhurst, 2016). The conflicting interests and ideologies of various stakeholders prove the policy evaluation to be complex and contentious (Vedung, 1997).

Bhutan follows the unique process of screening the draft policies through the 22 variables of GNH. However, the expert participants interviewed in this study cited inadequate consultation and coordination among relevant stakeholders, and the lack of research and data input while framing policies in Bhutan. As detailed in Chapter Seven, the expert participants described how one of the major challenges within the government is the poor level of coordination among stakeholders that are involved in planning and pursuing happiness. The expert participants shared that policies are not inclusive and are shaped by a few at top that include parliamentarians or top government officials, and since policies are made by male dominated forums, they lack the perspective and voices of women who represent half the population. One of the dominant features of Bhutanese policy making that has emerged from the interviews is the issue of insufficient stakeholders' consultation. The expert participant Dr. Karma argued that the policies are made in silos and the government departments work in territorial and compartmentalised mindsets, or as he said *"in terrible silos"* Thus, work that is done by one ministry is not known by the other, although they may be doing the same work. Ministries also sometimes have overlap in terms of their mandates and responsibilities. There is quite a lot of duplication as a result. For example, the six months maternity leave policy, affected employment opportunities for women especially in the technical and private sectors. This according to the expert participants, is the consequence of not consulting the private sector and the absence of government support for the private sector.

The second factor the expert participants cited is the lack of research and data input for framing policies. Under part four of the stage two of policy formulation protocol, there is mention of research and findings (GNHC, 2015). This is where the proponent of a policy will have to answer the studies, appraisals, and key findings and recommendations of any research or report. However, the expert participants argued that policies lack convincing evidence to justify and give clear evidence as to why a certain policy is needed in the first place. The expert participants cited examples of how Bhutan's school expansion policy was not based on demographic trends, as most schools in rural areas have declining populations. In the interviews, expert participants voiced concerns that a lack of accurate real time information and a lack of statistics and reliable data made it difficult for people to engage in the policy review processes. Research was seen as vital because framing policy based on mistaken or erroneous data would be disastrous. However, government investments in research and development are an issue in developing countries. Lack of funding, the level of independence of researchers from the management in South Asian nations; and low demand for research by decision makers, regulators, media, and other societal actors are the most common challenges faced in social science research (Tobden & Sherab, 2021). Even in Bhutan the research and development culture is at a nascent stage (Tobden & Sherab, 2021). This is evident from a simple search of the organogram of all nine Ministries in Bhutan, as none of them have a department/division of research. The Royal Civil Service Commission, which is the parent organisation for all civil servants in Bhutan, also does not have a research officer in their list of employees. This study highly recommends instituting research divisions in all government agencies.

9.5.3 Issues in Policy Implementation

This section examines the contextual nature of Bhutan's political environment and the creation of policy. It explores the reluctance of officials to question policy, and their preference to pinpoint problems during the implementation stage. Policy implementation is a complex process fraught with many challenges. The key challenges in policy implementation are the structural barriers, contextual elements, and behavioural factors. Structural barriers are characterised by complexities inherent in the administrative structure of the policy implementation. Its characteristics are bureaucratic red tape, lack of cooperation among agencies, and the agencies interpreting policy directive differently, resulting in inconsistent implementation of the policy (Hupe & Hill, 2022; Sabatier & Mazmanian, 1980). Political support can largely influence implementation efforts, and socio-economic elements such as income disparity can impact the achievement of policy goals (Bardach & Patashnik, 2019; Pierre & Peters, 2005). Behavioural factors such as implementers lack of understanding or disagreement with policies can lead to deviation from the policy goals (Sabatier & Weible, 2019; Winter, 2012).

In line with the findings of the international literature, the expert participants questioned the proficiency and competence of how the bureaucrats understand, internalise, and implement GNH

policies, and argued that bureaucrats already are part of policy making as well as policy implementation. Several factors contribute to poor implementation of policies, such as a lack of sense of ownership and responsibility; laziness of the civil servants, complacency, and lack of follow through of policies. The experts cited the "plastic bag ban" and "tobacco ban" policies as examples of policy failure owing to weak implementation. Other factors also include lack of political will, lack of well-informed and ahead-of-time leadership, difficulty in bringing on board the stakeholders, absence of systematic reviews of policies, and policies not being responsive to new changes, especially in terms of catching up with the new technologies, for instance in public service delivery. Expert participants made pointed reference to available services and said that the public officials do not implement Standard Operating Procedures (SOP), which are scientifically based, results based, and deserving based. Instead, it is based on personal networks. Everything is a handing out, giving out, and helping out sort of system.

While some expert participants questioned the human aspects such as the inability of the bureaucrats to internalise policies, others questioned the lack of institutional strategy. To ensure that there are sustainable means to achieve happiness, there has to be a proper strategy to implement the policies. Expert participant Hon'ble Dr. Passang cautioned that the political economy of Bhutan is a public sector driven economy, and if the government shuts down, the economy is going to grind to a standstill. Therefore, it is of paramount importance to get the implementation strategies right. As discussed in sub-section above (9.5.2) above, the policy making process is rigorous in that proposed policies must achieve the minimum threshold of the GNH policy screening tool, and that adds value. However, to enhance a greater level of happiness, the policies must be reviewed periodically, and the leadership and bureaucracy must internalise policies. In the interviews, the experts urged that now is the time to focus and perfect the implementation of the policies.

9.6 Maximising GNH with Democracy, GDP, and SDG

This section engages in a discussion on the operationalisation and maximisation of GNH while advancing democracy and also being signatory to other international agreements and accords such as GDP and SDG. As discussed in detail in Chapter Eight, Bhutan introduced democracy in 2008, when the government transitioned from an absolute monarchy to a democratic constitutional monarchy, and when political parties were formed, and the first-ever elections were held. The Constitution of the Kingdom of Bhutan was also enacted in 2008 and includes provision for the national promotion of GNH. The GNH Commission was established in 2007, and the GNH policy screening tool was introduced in 2008. Bhutan pushed for happiness as a global agenda in the UN in 2012. And the GNH survey to measure the entire population's sufficiency in wellbeing and happiness was first conducted in Bhutan in 2010. A decade after all these major policy events, this study explores GNH in the context of democracy and other international policyscapes. The expert participants pointed out the emerging concerns with the advent of democracy in Bhutan. The

concerns are the gap between pledges and implementation by politicians and political parties, political clientelism, regionalism, and short-term politics of political parties as factors affecting the happiness and wellbeing of the people. These are discussed in the subsections below.

9.6.1 Gap between Pledges and Implementation: Political Pledges and Voters' Expectation

A plethora of studies have highlighted the gap between pledges and implementation in the political sphere (Börzel, 2001; Kitschelt, 2007; Mellon et al., 2023; Thackeray & Toye, 2020). In Bhutan too, the electoral system allows political parties and candidates to pledge to the electorate through active campaigning (Parliament of Bhutan., 2008a, 2008b) in pursuit of gaining votes (Kitschelt, 2007). Manifestos are increasingly seen as central to electoral politics, as it is through manifestos that political parties, are expected to outline in detail what they would do in office (Thackeray & Toye, 2020). While pledges are inherent characters of political parties, expert participants commented that the political parties and their candidates seem to be increasingly resorting to unrealistic pledges which they are not able to fulfil after winning the elections. This discrepancy, often referred to as a "commitment-compliance gap" has serious implications for trust, accountability, and effectiveness (Börzel, 2001). The expert participants cautioned that such unrealistic pledge raise people's hopes, and increases their disappointment, and trigger people's dissent against the government. Ultimately, it can result in a loss of faith in democracy. Political promises are not fulfilled due to a variety of factors such as changing priorities, financial constraints, or other complexities (Mellon et al., 2023). While several expert participants discussed how political parties and candidates engage in politicking beyond what is permissible by the relevant laws, some experts argued that politicking is inevitable and within the nature of democracy. The expert participants cited two levels of mismatch in expectations and delivery in Bhutan. One mismatch was between the voters and a political candidate, and the other was between the voters and the government. These mismatches were triggered by high expectations of voters versus constrained and limited room to deliver for politicians. Political parties must research well in advance to see what activities and programmes are already in the five-year plans. Besides what is in the plan, the political parties have no free leeway, they are bound by rules and regulations. This understanding must discipline the politicians.

Various studies recommend a robust and comprehensive monitoring and elevation system and the involvement of CSOs in holding governments accountable for their pledges (Bauer et al., 2012; Chan & Pattberg, 2008; Mellon et al., 2023). However, for Bhutan, the expert participants suggested creating awareness, empowering, and educating the voters that not all promises made by politicians can be fulfilled. The experts cited the national pledges of the DNT party about 'free wifi' which the people believed, and subsequently voted for DNT. In addition, the politicians must abide by the Buddhist core values of Thadamtse and Layjumdrey [ethical and moral values; respect and loyalty to parents, elders and superiors], and demba [mindfulness]. The reality in Bhutan is that

while the MPs have the mandate of the people, they do not have the resources to pursue that mandate. The five-year plans and the budget allocation are done by GNHC, based on certain agreed formulas derived from the National Key Result Areas (Gross National Happiness Commission, 2023). This process ensures that the way funds are allocated in Bhutan does not allow MPs to play around where the funding goes. Therefore, experts raised issues about the need for politicians to abide by the prevailing laws. The experts cited the prevailing laws, rules, and regulations that govern elections, political parties, and political candidates. The Constitution of Bhutan (Royal Government of Bhutan, 2008), the National Council Act (Parliament of Bhutan, 2008), the National Assembly Act (National Assembly of Bhutan., 2008), and the Election Act (Parliament of Bhutan, 2008a) concurrently described the role of Members of Parliament to make laws, and to represent the constituents. In addition, expert participants said it is also to undertake oversight functions to monitor government projects. Expert participant PM1 said the political parties and their candidates while campaigning must refer to the Constitution and the relevant laws. For instance, the expert participants suggested enforcing that the politician's primary role is legislation, it is not talking about water and electricity, it is talking about how we can build an enlightened society. Water and electricity are the mandate of the Local Governments. As Bhutan moves forward, more and more development activities must be planned and executed by the local governments. The central government will have to engage at the policy level, and not at the implementation level. The role of the central government is to formulate policies, to look at the macro issues, to arrange the finance, mobilise resources and channel it to the local governments (Gross National Happiness Commission, 2016; Royal Government of Bhutan, 2008). The expert participants further suggested the introduction of a system where Local Governments as development implementers, and the Central Government as the policymakers are mutually accountable to each other. As Bhutan moves forward, Bhutan's five-year plans must be executed at the local level.

9.6.2 Political Clientelism, Regionalism and Short-term Politics

Political clientelism, regionalism, and short-term politics significantly shape, maintain, and challenge the power dynamics in societies, affecting both democratic and authoritarian regimes worldwide (Kitschelt & Wilkinson, 2007). Political clientelism as a pervasive feature of political life has long been recognised across the globe (Stokes et al., 2013). Political clientelism contributes to the entrenchment of political powers, and it remains pervasive in developing economies and young democracies (Keefer & Vlaicu, 2008; Wantchekon, 2003). Both regionalism and short-term politics intersect with clientelism. While regional elites can employ clientelism as a strategy to support politicians and seek favour in return (Hale, 2014), short-term politics encourages clientelist practices as politicians seek immediate electoral gains through patronage and favours (Bardhan, 2002; Keefer, 2007).

The expert participants in this study also identified political clientelism, regionalism, and

short-term politics as factors affecting the maximisation of GNH. Similarly, the report titled *Ten Years of Democracy in Bhutan (2019)*, conducted by UNDP and the Parliament of Bhutan, also mentioned these issues emerging in democratic Bhutan. There are three levels of concerns raised by the experts in this study. First, when elections become more and more influenced by money, people with deep pockets sponsor the political parties and the candidates. Second, the use of executive orders which bypass the GNH policy screening, could be clientelist. While all policies are required to be vetted through the GNH policy screening process to see whether they are GNH favourable or not, policies which comes through executive orders from the Prime Minister's Office bypass this process. Third, political clientelism could be enforced through enacting laws. The expert participants cited various examples of how political clientelism, regionalism, and short-term politics gets driven, and become second nature to politics. The expert participants noted that MPs pushed for amendment of the Local Government Act (LG Act), most likely to enable them to have bigger roles in the constituency development process, and reward areas/regions they favour; the Business Opportunity and information Centre (BOiC) which was instituted by the previous government; The current Cottage and Small Industries (CSI) Banking in Paro, which is the finance minister's constituency; and the ongoing discussion on the mines and minerals management bill. Commenting on these examples of clientelism, expert participant His Excellency Dorji said that *"the message that people are going to draw, or the message that goes out will be this, 'it is because of the excessive protection of few interests of the few entrepreneurs by the ruling party."* At the same time, some expert participants felt that blatant clientelism is not happening in Bhutan and referred to Bhutan ranking very high on Transparency International (25 out of 150); and its strong rules of law to check the conduct of the politicians. The experts cited the example of Khamdang MP having to resign, which has had the effect of reinforcing and strengthening the public trust in the system.

The second obstacle to maximising GNH with the advent of democracy is regionalism created by party politics in every parliamentary election. Regionalism here refers to Eastern, Western, Southern, and Central regions within Bhutan. The election results of the last consecutive general elections show that politics have divided the country into east and west. The narrative of regionalism continues to do so (Kuensel, 2019). The 2018 general election resulted show potential regionalism (UNDP, 2019). The expert participants, some of whom are MPs themselves, believe that Tshogpas [party coordinators] are the primary causes of disputes among party, community and even among family lines. The expert participants including the presidents of the political parties confirms regionalism, division, and disharmony created by party politics in Bhutan. Several expert participants argued that the primary cause of these disruptions is the Tshogpas [party Coordinators] who must be done away with. Others argued that, while party coordinators are an inherent part of political parties, there should be more stringent laws to prevent them from causing such disruptions.

The third obstacle to maximising GNH with the advent of democracy is its short-term cycles

of incumbent governments. The expert participants raised concerns that the politician's short-term approaches to development contradict GNH. GNH is a broad and long-term vision for Bhutan. Within a few years of the advent of democracy and political parties, Bhutan has already seen that conflicting political party goals and campaign promises, can lead to a neglect of the long-term approach to development (His Majesty the King of Bhutan, 2014). Over the last decade, some concerns have arisen when politicians have come-up with short term visions (UNDP, 2019). To understand this from the practical real-world side, this study reached out to the chief policy and planning officers in the Ministries, as they are the ones implementing policy and programmes. Expert participant PI1 confirmed instances of short sightedness in the plans and policies the government formulates, confirming the trend set with the onset of democracy. The elected governments pursue short term policy objectives and plan activities that will ensure votes in the next round of election. Examples of such populist pledges are promises of civil servant's salary increase that follows election periods, waivers of taxes on mobile vouchers, and fuel tax. The expert participants were confident that people are becoming aware of these practices of the politicians. However, dissatisfaction appears to be rife because every five years, the people elect an entirely new government. For people and politicians to enhance GNH, Bhutanese must study and examine closely His Majesty the King's speeches, projects and vision, that is the real long term policy framework. Several experts argued that the government must follow the broad policy directives as outlined in the Constitution. An area that dominated the discussion was a need to craft the long-term vision for 2050.

The fourth obstacle to maximising GNH is the interplay between GNH, SDG, and GDP. The expert participants unanimously agree that GNH is the guiding principle, not only in terms of development, but also the linchpin of how Bhutanese take on life, plan, execute, negotiate, and build up policies. The expert participants even questioned the validity of asking this question. They said "*GNH is SDG plus. GNH is GDP Plus. And for Bhutan the SDGs, and GDP will always function as subsets of GNH.*" In fact, the experts questioned that Bhutan must stop using GDP figures in measuring its economy, and the way the national accounts and balance sheets are maintained. Thus, they suggested that, for example, Bhutanese GDP should include ecological costs and social costs, in addition to the modern method of accounting for goods and services. The expert participants acknowledged that Bhutan has played a significant role in shaping the SDG goals, as Bhutan took on the leadership role in the UN to the draft post 2015 development paradigm, and several discussions on happiness (RGoB, 2012). This study interviewed the chief policy officers of the government ministries to find out if GNH, GDP, and SDG complement or contrast in the actual implementation of the government projects on the ground. They said GDP should not be an end in itself, but a means to achieve GNH, and that GNH is an overarching policy framework. The features of GNH are sustainability, the environmental consciousness, culture and inclusive governance

(Centre for Bhutan and GNH Studies (CBS), 2016; Royal Government of Bhutan, 2012; Ura, 2015). In this sense, Bhutan's development philosophy has been much ahead of the rest of the member states in the international arena in pursuit of wellbeing and sustainability. Expert participants bluntly questioned, *"isn't the uptake of GDP stressful to our people. We are creative survivors within the difficult mountains and terraneous region in the country. Our nature, our DNA is a little different."* How different? The expert participant Dasho Neten said:

> I am so grateful that I am breathing fresh air, I am so grateful that I have all these goodies from the forest. I am so grateful that at least I can get some milk from my local cows. I am so grateful that I can get an egg from my hen that I have reared, not the poultry farm.

9.7 Conclusion

The synthesis explored the key issues identified in this study from the expert participants' data. These key issues were synthesised and discussed with reference to the relevant literature . The dominant themes were that of issues in government performance, policy, and practical challenges in maximising GNH, and the challenges in advancing GNH with the advent of GNH.

Government performance either makes or breaks socio-economic disparity, and job creation. There is substantial evidence of data from Bhutan demonstrating that the gap between rich and poor is a rural-urban phenomena in Bhutan, triggered by imbalanced regional development policies, the difference in quality of education among rural and urban schools, and the absence of a wealth and inheritance tax in Bhutan. The data analysed in this chapter further reinforced this narrative. However, an inefficient governance and administrative system is a major obstacle in narrowing the gap between rich and poor. The inefficiencies in government and administration are influenced by a myriad of factors including issues with coordination, lack of continuity in the systems, lack of awareness, and capacity of the people working for such programmes. On creating jobs, the synthesis chapter underscored a mismatch between jobs and skills, limited private sector growth, and a perceived lack of systemic coordination that has a profound impact on increasing unemployment in the country.

Practical and policy challenges are inherently multifaceted and there are inevitably complex obstacles to optimal government performance. The need for GNH education, to address competing ideas and vested interest groups, overcome the hierarchical structure of governance, resolve conflicting policies, address issues in policy making, and overcome issues in policy implementation are tangible challenges that the government must navigate to deliver effective performance.

Democracy and other international policy agendas also confront the pursuit of maximising GNH. The issues range from the gap between pledges and implementation, political clientelism, regionalism, and short-term politics. Bhutan's wealth disparity, or the gap between rich and poor,

underscores the need for improved governance and administrative systems. Vital steps to mitigate the insufficiencies about narrowing the gap between rich and poor calls for addressing public sector inefficiency, enhancing transparency, and strengthening institutions.

Chapter 10: Conclusion

GNH is a part of our life. So, whether you are a common citizen or a politician of whatever level, we breathe and live GNH. GNH is what makes us, US. (Expert Participant Dr. Kinga).

GNH is a deliberate attempt to embed Bhutanese values into national governance structures. (Expert Participant PM1)

We are, as a human being, as a voter, as a citizen, are thrown into the open market. There are a lot of demands, a lot of conflicting thoughts, conflicting ideas, ideology. GNH is a deliberate judgement attempt to keep your thought happy and stay true to our nature. By nature, we are compassionate, and we are considerate. We are creative survivors within the difficult mountains and terraneous region in the country. Our nature, our DNA is a little different (Expert participant Hon'ble Karma)

10.1 Introduction

This thesis set out to investigate the political economy of GNH and how it influences people's happiness and wellbeing through enhanced government performance. In doing so, the thesis brings together the investigations and arguments made throughout the thesis and makes a significant contribution to our knowledge on the context of happiness and wellbeing, government performances, as well as on the terrain of the Bhutanese political economy. To achieve this, the thesis engaged in in-depth interviews with policy architects, political leaders, researchers, and leadership of the institutions, which I call the expert participants. The central questions that guided the thesis was (1) What elements of government policy and implementation, in the context of the cultural and political economy of Bhutan, are critical to the sustainable enhancement of gross national happiness? This central question warrants in depth discourse on political economy of Gross National Happiness (GNH), and government performance in a GNH milieu, which lead to two research sub-questions, which are (1.1) How do policy actors understand key domestic policy challenges and barriers to the effective implementation of government policy in achieving gross national happiness? And (1.2) What are the administrative and democratic impediments in policy processes to improving gross national happiness? These questions enabled the expert respondents to assist the researcher by offering their perspectives on the shortcomings in the ethos of GNH, current popular understandings, and its current implementation.

Importantly, this study has taken the National GNH survey findings and zoomed in on a significantly understudied context of government performance qualitatively. This work is of national importance to Bhutan, representing a high-level and intellectually rigorous engagement with national policy for the social good. This thesis dissects the intriguing concept of GNH from the perspective of political economy and defines the political economy of GNH. It is the first of its kind

in an academic paper. The preceding chapters on the study's rationale, significance, literature, methodology, findings, and synthesis were arranged in a logical flow and summarised below.

Chapter 1 outlined the facts and figures and the enabling conditions created by the government for the people to pursue happiness and wellbeing in Bhutan. It emphasised the need to investigate the government performance indicator under the political economy of GNH and explained the significance of pursuing this thesis in maximising GNH.

Chapter 2 was the key literature review chapter that examined the global discourse on happiness and wellbeing from early philosophers to contemporary studies. It showed that happiness and wellbeing have been of interest to humans across cultures throughout history and has been investigated in numerous academic fields. The discourse on happiness and wellbeing is increasingly pursued by academics, institutions, and nations. The early philosophers on happiness and wellbeing were Buddha, Confucious, Aristotle, Plato, and Socrates. These philosophers emphasised the importance of virtue and moral character, the role of reasoning and wisdom, and internal state, as components of happiness and wellbeing. However, their views on how to achieve happiness and wellbeing differed. For example, for Buddha it was mindfulness, meditation, and the elimination of desire and attachment; for Confucious it was social order, respect for elders and ancestors, and living in harmony with society; for Aristotle, it is a life of virtue and reason; for Plato, it was understanding reality; and for Socrates, it was the natural consequence of virtuous behaviour. In addition to their philosophical views on happiness and wellbeing, they also talked directly about politics and governance, while their views and philosophies could also be inferred to the environment and economy. It is interesting to note that their views relate significantly to the domains of GNH. This thesis also points out the prominent proponents of happiness and wellbeing in different cultures that existed, around the same era. In the East, Buddha's influence and teachings were brought to Bhutan by Zhabdrung Ngawang Namgyel [the Founder of Bhutan] who founded the pursuit of happiness and wellbeing in the heart of governance. Around the same era in the West, Socrates, Plato, and Aristotle's influence of happiness as the central purpose of life was further propagated by Jeremy Bentham and his student John Stuart Mill. Likewise, Confucius the Analects on humanity and virtue as sources of happiness were translated by Jesuit Missionaries. In the 1970s, His Majesty the Great Fourth King of Bhutan pronounced GNH as the overarching development philosophy, prompting for it to be codified as an overarching government policy and goal for Bhutan and incorporated in the Constitution of Bhutan in 2008. In the West, the nations and institutions who founded GDP as an indicator of progress, are now increasingly demanding for a departure from GDP (See Chapter 2 and 5). It may also be noted that the studies on happiness and wellbeing have evolved significantly. From the early philosophical views on morality, wisdom, and virtue, the 17th, 18th and 19th thinkers represented a significant shift. The emphasis was then moved

from individual virtue and tranquillity to collective wellbeing. Contemporary studies' exploration of happiness and wellbeing took a more empirical turn with the advent of positive psychology and subjective wellbeing. In Bhutan the significance and emphasis on happiness and wellbeing is uniquely positioned in pursuit of sustained, harmonious, and just society and implemented the GNH index, the GNH screening tool, and a GNH certification processes.

Chapter 3 justified the methods employed for the thesis. The methodology was based on the understanding that policy on happiness, from various dimensions of sustainability, economy, political orientation, environmental, and cultural policymaking, is shaped by a concept of worldview. Therefore, this thesis was framed within the theoretical paradigm of social constructivism, as it explored the complexities or shortcomings in the performance of government by investigating the beliefs, experiences, and worldviews of previously understudied participants comprising policy architects in Bhutan. Thus, a qualitative method was employed to uncover salient issues. A purposeful sampling strategy was used to identify the policy experts and policy architects invited to participate in this study, because for a Constructivist Ontology, "some people are better placed to do it than others." In depth semi-structured expert interviews were conducted, because for a Constructivist Ontology, "knowledge is co-constructed, unlike in quantitative method." Thematic analysis was used to analyse the data that emerged from the interview data.

Chapter 4 was a short narrative inquiry reinforcing the historical and philosophical influence of happiness in Bhutan. The earliest recorded evidence of Buddhism in Bhutan dates back to the 8th Century when Guru Rimpochey [the second Buddha] visited Bhutan and taught spirituality, governance, and politics to Sindharaza [The King of Bumthang region of Bhutan]. In the 17th century, Zhabdrung Ngawang Namgyel unified Bhutan and established a dual system of governance consisting of a religious branch and a civil administration branch. Both the Legal Code of Bhutan (1729), as well as the Constitution of the Kingdom of Bhutan (2008) postulate that the purpose of the government and the governance is to create enabling conditions for people to achieve happiness and wellbeing. Descriptions on the National Flag and the National Anthem imply that the purpose of governance is to maintain a Buddhist outlook on life. This chapter also reinforced the idea that Buddhism and the Buddhist outlook have had an influence on the Great Fourth King who pronounced GNH in Bhutan. The Royal Decrees and speeches of His Majesty during his reign constantly repeat pronouncements about happiness and wellbeing. It is also evident from the Five-Year Plan documents of the planning commission which was chaired by His Majesty have championed development with values since 1970's. The extraordinary nature and deeds of His Majesty the Great Fourth King are well documented in several books and articles, which refer to His Majesty as the Buddhist Master. Some of the Books refer to His Majesty as The Dharmaraja; and as the one who turns the wheel of dharma and rules benevolently.

Chapter 5 provided an overview of political economy, and introduced the key literature on political economy, zooming in on the current global shift in political economy analysis. It also introduced the principles of the Buddhist economy and the Bhutanese political economy. The central idea of this chapter was that the nations, institutions, and researchers worldwide are increasingly demanding that their governments undertake systemic change to humanise the present order of the world. As our natural world is pushed to the brink and climate change accelerates, the urgency is the need to design the metrics of the future where a better conceptualisation of human development becomes the central policy choice. As humanity pushes past the limits that can sustain life on this planet, all countries must now radically redesign their economies and paths to progress. This central idea is exactly what the Buddhist economy propagated thousands of years ago when Buddha taught about interconnectedness and co-existence and thus the moderation of material wealth and mental wellbeing; right livelihood for a more human-centric approach. In Bhutan, the traditional and cultural way of conducting daily affairs is geared towards protecting the environment and the biodiversity, minimise harming sentient beings, and build a cohesive community vitality. The prevailing laws, and policies in Bhutan suggest that Bhutan is clearly a "welfare state" in its legal operation, and a flourishing "Kidu (welfare) democracy" in its policy and practice operation, in pursuit of Gross National Happiness. Political economy directions given by the Constitution is towards a fairer society, a just society, a harmonious society This is the political economy of Bhutan.

Chapter 6 was central to the thesis and makes a major contribution to Bhutanese political life by answering the question on the barriers and challenges in insufficiency in government performance. The expert participants pointed out that the major barriers and challenges leading to insufficiencies in Government Performances are broadly "reducing inequality" and "creation of jobs." Factors contributing to inequality are the rural-urban inequality, imbalanced rural-urban development, absence of women in key political and administrative positions, and inefficient governance and administrative systems. Likewise, factors contributing to job creation were mismatch between jobs and skills; lack of private sector growth; and lack of systemic coordination. The policy options that were proposed to address these insufficiencies are to implement policies and projects to bring a major boost to rural prosperity, and urban wellbeing, and implement a regional balanced development policy. The other policy recommendations made are to implement a future focused job strategic plan, upscale a technical and vocational friendly curriculum in the schools, education on the importance of technical and blue-collar jobs, and focus on IT enabled fluid jobs.

Chapter 7 was the second of the three findings' chapters focusing on the key findings on the themes regarding, practical and policy challenges in maximising GNH. The two broad issues identified from the interview data were the practical challenges and policy challenges. Factors

contributing to practical challenges were the need for GNH education for the general people, competing ideas and vested interest groups, the absence of a citizen driven economy, and the hierarchical structure of governance. Likewise, the factors contributing to policy challenges were the nexus and the tension between economic development policies and the GNH policy of environmental and cultural preservation, issues in policy implementation, inadequate consultation of policy framing, and the lack of research and data input for framing policies. Numerous policy recommendations emerged from the thesis such as framing a common narrative of GNH and implementing GNH education to the larger population, strictly upholding the provisions of the Constitution, introducing a strategic plan to support and promote private sector development, revisiting the conflicting policies, a shift in the mindset of the civil servants and the bureaucrats, and instituting research divisions in all government agencies.

Chapter 8 was the last of the three findings chapters. It contributed to answering the research sub question on the operationalisation of GNH, the nexus between democracy, SDG, and GDP, and the limitations in the democratic systems in Bhutan, while maximising GNH. It uncovered issues such as the gap between pledges and implementation by the political party and political candidates; political pledges and voters' expectation; laws, rules and regulations governing the political parties and candidates; political clientelism; regionalism; and short-term politics. Policy options and intervention strategies such as reviewing the role of party coordinators; drawing up vision 2050; education and awareness among voters on the role and mandate of the political parties and the politicians; clarity on the role of the central government to engage at policy level, and the role of local governments at implementation level, would address the issues.

Chapter 9 was the synthesis chapter which wove together the key literature and the findings from expert interview data. This chapter pointed out several issues that are inherently and uniquely Bhutanese and depart from international best practices both in terms of the nature and the interventions to address these issues. For instance, inequality is not so much between the rich and the poor in Bhutan. It is rather evident in other systemic sources of inequality that could not be addressed by tax-transfer policies like in the other countries. Therefore, notions of wealth and inheritance tax do not seem to have political support, and the reason is the clear requirement to fund social welfare programmes through His Majesty's Kidu system. The obvious inequality in Bhutan comes from the rural-urban divide, the absence of women in political and administrative positions, and inefficient governance systems. Unlike other countries, unfavourable policies and corruption are not prominent features of inequality, it is rather the inefficiency in resource allocation and administrative inefficiencies that hinders service delivery and affects equality in Bhutan. Unlike what the literature suggests such as political stability, globalisation and outsourcing, and instances of high inequality as factors influencing government to create jobs, for Bhutan it is rather the

mismatch of skills between jobs and job seekers, limited private sector growth, and lack of systemic coordination among sectors responsible for the creation of job. Unlike the Western discourse on perceived sources of happiness, which are health and income, for Bhutanese the source of success is the success of significant others such as family members. This chapter also revealed nine significant amendments to be made. First, the idea of pursuing a holistic GNH index may require a paradigm shift from the current indicator weightage system. As the country develops, the GNH indicators must be dynamic, and Bhutan must prioritise some indicators above others based on relevancy. Second, the role of Party Coordinators [Tshogpas] must be reviewed and even perhaps done away with. Party Coordinators were seen as disruptive and spreading disharmony in the communities. Third, Bhutan vision 2050 documents must be drafted as a matter of urgency. Fourth, a common GNH narrative must be advocated to the Bhutanese population. Fifth, redefine the role of the Central Government at the policy level to mobilise funds and resources, and the role of Local Governments at the implementation level. Sixth, that a vison for rural prosperity and urban wellbeing must be pursued. Seventh, research and development divisions are to be instituted in all government ministries and agencies. Eighth, the use of executive orders from the Office of the Prime Minister and cabinet must be reviewed, as these executive orders could potentially be used to bypasses the GNH policy screening. Ninth, elected politicians should be encouraged to reside in their constituencies and not in the capital city.

As I come to the close of this thesis, my personal wellbeing index is at its highest possible in recognition that happiness and wellbeing is thriving in Bhutan. In the following, I detail the contribution to knowledge this thesis has made and discuss the limitations of this study. The thesis concludes with my closing statements.

10.2 Contributions to Knowledge

This thesis presents contributions to knowledge within two domains: the theoretical domain and practical domain. Below I consider each of these in turn.

10.2.1: Contribution to Theory

This thesis makes a theoretical contribution in two key and interrelated ways. First, as illustrated in the literature review (Chapter 2), the study of inter-relationships between economics and politics has been widely studied (Aghion et al., 2004; Chilcote, 2018; Frieden, 2020; Weingast & Wittman, 2009), as political economy answers fundamental questions of survival, success, and failures in the areas of wealth (Przeworski, 2004); and the relationship between democracy and capitalism (Iversen, 2008). Intellectual excitement in political economy generated thousands of papers on the scholarly frontier, however these papers are mostly written and applied to highly developed institutions of advanced industrial democracies. The political economy of Bhutan and GNH has not been studied and defined in any academic paper thus far. A literature search on the political

economy of Bhutan in databases and google scholar did not return a single academic paper. This thesis thus makes a novel contribution to the literature on Bhutan's political economy of GNH by providing two additional axes. It defines the political economy of Bhutan clearly as a "welfare state" in its legal operation, and a flourishing "Kidu (welfare) democracy" in its policy and practical operation. This thesis adopts constructivism in the political economy of GNH as a point of departure from classical realist political economy. Political economy directions as per the Constitution and other laws, and policies of the Kingdom of Bhutan is towards a fairer society, a just society, a harmonious society. This is the political economy of Bhutan. Second, the national GNH surveys were/are conducted quantitatively. This thesis argues for greater attention to values by shifting its focus away from simply measuring a quantitative GNH index to analysing the policy and implementation problems that prevent the maximisation of GNH, which in itself requires a qualitative analysis.

The qualitative exploration in this study offered a unique examination into the interpretations of the complexities of the political economy of GNH. The thesis examined the influence of GNH on people's wellbeing and happiness through government performance which underpins the intricate and textured lives of Bhutanese. A fundamental contribution of this thesis is its ability to bring together data on Bhutan's Gross National Happiness, sustainable development goals, happiness and wellbeing, and political economy and weave them into a fabric that transcends into an integrated policy response to address the insufficiencies in happiness and wellbeing of the Bhutanese people. One of the greatest strengths of this study is the ability to engage in in-depth interview with policy architects, including policy makers, researcher, and leaders of government, non-government, and civil society organisations and private institutions, which provided critical insights and glimpses of the challenges and opportunities of achieving the GNH, which were not studied before. Finally, this research fills a critical gap in the literature surrounding GNH policy implementation.

10.2.2 Contribution to Practice

This thesis makes several contextual contributions to practice in maximising GNH. First the expert participants raised three key notions governing the GNH discourse in Bhutan such as: the mistaken notion that everything is perfect in Bhutan with GNH; that GNH is operating mostly at academic and policy level; and they believe there is a need to have a more commonly understood narrative of GNH. The expert participants defined "GNH as development with values, and a deliberate attempt to embed Bhutanese values into national governance structures." Second, this thesis revealed that GNH provides clarity to pursue everything in moderation, and the need to provide policy, focus and sharpness.

This thesis revealed several case studies that are inherently and uniquely Bhutanese and depart from key international literature. For instance, inequality is not so much between the rich and the poor, it is rather on other systemic sources of inequality such as the imbalanced regional development, referred to here as the rural-urban divide, low representation of women in leadership positions, and inefficient governance systems. It also departs from the literature that unfavourable policies and corruption leads to inequality, as for Bhutan it is rather the inefficiency in resource allocation and administrative inefficiencies. It also departs from the literature that political stability, globalisation and outsourcing, and instances of high inequality as factors influencing governments to create jobs. Instead, for Bhutan it is rather the mismatch of skills between jobs and job seekers, limited private sector growth, and lack of systemic coordination among sectors responsible for job creation. Moreover, while the Western discourse on perceived sources of happiness is mainly concerned with health and income, for Bhutanese it is mainly the success of significant others such as the family members.

This thesis revealed nine significant amendments that should be made on GNH overall. First, the idea of pursuing a holistic GNH index may require a paradigm shift from the current indicator weightage system. Drawing from His Majesty the King's inspiration who said "What is GNH will not change, but how we achieve GNH will change, and it must," the expert participants echoed that the nine domains of GNH must be dynamic. The argument is based on the fact that as the country progresses the requirements are going to change. Therefore, policies must be geared towards prioritising some indicators over others based on current need. Second, the role of Party Coordinators [Tshogpas] during and after the Elections must be reviewed, and it should be considered whether to do away with such practices altogether. Third, Bhutan's vision 2050 documents must be drafted as a matter of urgency. Fourth, a common GNH narrative must be advocated to the Bhutanese population. Fifth, central government must perform at the policy level to mobilise funds and resources, and the local governments must perform at implementation level. Sixth, a vison for rural prosperity and urban wellbeing must be pursued. Seventh, research and development divisions should be instituted in all government ministries and agencies. Eighth, a review of the use of executive orders by the government of the day. Ninth, the politicians, once elected, must remain in their constituencies, and not in the capital city.

In addition, this study has wider educational, economic, and social policy implications for countries seeking to structure national identities which go beyond employability, clearly aligning with the global vision for inclusive economic growth.

10.3 Limitations of the Study

There are potential limitations in relation to the interviews conducted. First the interviews were conducted online via videocalls, as required by the University as a result of COVID lock downs in

New Zealand and travel restrictions in Bhutan. It is envisaged that face-to-face interviews would have further enhanced the insights gained from the expert participants. Second, the sampling approach used, purposefully focused on identifying key experts working in government, non-government, civil society organisations and private sectors. I did not interview the farmers who were the least happy groups in the GNH survey, who could have different viewpoints. However, the aim was not to analyse a representative viewpoint, but to explore in-depth insights from the policy architects and policy conversant respondents.

10.4 Closing Statement

This thesis has shown that a government whose political economy prioritises GNH can create a conducive environment for creating holistic societal happiness and wellbeing. GNH is a concept deeply rooted in the cultural and philosophical values of Bhutan. It has been instrumental in fostering a re-evaluation of conventional metrics of prosperity. Indeed, the tenets of GNH are deeply influenced by Buddhist values and ethos. These include culture (which serves as a catalyst for promoting harmony and peace within the society), environment (which is protected legally as well as spiritually), socio-economic development (which is pursued with Buddhist values), and good governance (which is exercised with spirituality and compassion in the heart of governance). GNH has emerged as an alternative index that considers multidimensional aspects of human development. The political economy of GNH demonstrates that economic development alone is not a measure of a nation's success. Similarly, in examining happiness and wellbeing, material wealth is not a genuine factor contributing to a holistic societal wellbeing. On the other hand, GNH as a performance measurement allows governments to better position and respond to societal progress collectively.

GNH has enabled happiness and wellbeing to thrive in Bhutan. Bhutan has been steadily rising in regional rankings on a range of economic, social, and political indicators, both in absolute terms and relative to other South Asian countries. However, GNH is not a panacea and is not without challenges and barriers. The difficulties in creating jobs and reducing the gap between rich and poor; competing ideas and vested interest groups, conflicting policies, lack of resources, short-term politics, political clientelism, potential party regionalism within different parts of Bhutan, and finally issues in policy implementation all need to be addressed.

The political economy of GNH offers a promising but challenging path towards reshaping our understanding of societal progress. It invites us to recalibrate our approach to government performance, moving beyond GDP and economic growth, to embrace a more holistic, human-centric approach, one that has the potential to foster a more sustainable and equitable world. It is an exploration of how government can and should play a role in promoting not just wealth, but wellbeing. This shift in perspective could well be an essential step towards the creation of

societies where happiness and wellbeing are recognised and valued as the ultimate goal of human development and government performance.

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Project Title

20/291 An inquiry into the political economy of Gross National Happiness: An integrated policy response for sustainable happiness and wellbeing through enhanced government performance.

An Invitation

My name is (Mr). Jamba Tobden. I am a PhD student at the Auckland University of Technology, New Zealand. As part of my PhD degree, I am required to engage in field data collection in Bhutan. I would like to invite you to kindly participate in this study. Your role is to attend an online (live chat, with audio recording) interview at a time that is convenient to you. I would like you to kindly consider a place that has minimal disturbance. The preferred venue would be your office or in a nearby community service centre. Your agreement to take part in this study would be greatly appreciated.

What is the purpose of this research?

The purpose of this study is to examine the potential for an integrated policy framework for sustainable happiness and wellbeing in Bhutan. The basis of the inquiry will be the latest GNH survey (2016) and an analysis of the responses of key political and administrative figures, combined with the views of a representative group of the most disaffected group recorded in the survey. The findings of this research may be used for academic publications and presentations.

How was I identified and why am I being invited to participate in this research?

The potential participants are the members of parliaments, researchers, policy officers who are GNH experts; Heads and Directors of institutions from government, corporate, private and NGOs (Non-Governmental Organisations), and representatives of farmers. I would like to invite you to participate because you met the criteria for the strategy for recruitment of participants, as guided by the theoretical and methodological aspect of the study.

How do I agree to participate in this research?

Taking part in this study is voluntary (your choice) and that you can withdraw from the process without penalty before data collection process is completed. However, you will not be able to withdraw after that as data will begin to be incorporated into analysis. If you would like to participate in this study, please sign the *Consent Form* and send it to me via return email: jtvision2030@gmail.com. Please send me your acceptance in/within *two weeks*' time of the receipt of this information sheet.

What will happen in this research?

The study employs in-depth interviews, which will take approximately one hour. The time and venue of the interview will be held at your convenience via online (live chat). The preferred venue would be your office or in a nearby community service centre. The transcripts from your data will be shared with you for your approval. You can choose whether or not to accept the transcript of the

interview and seek clarification and update the transcript. The data collected from you will be used only for the purposes for which it has been collected, in this case towards my PhD degree including conference presentations and academic journals.

What are the discomforts and risks?

Risks and discomfort: The participants are the policy makers, policy implementors, and policy analysts so they are mostly in the senior level positions. Therefore, there is minimal risks, or no discernible risk involved in the study.
Confidentiality: You may like to be identified, as these ideas and concepts would be contributing to the overall development of GNH. You will be given option either to reveal your identity or not. For those who choose to remain confidential, their identity will be protected with codes. Data will be securely stored at AUT, separate from the consent forms.

How will these discomforts and risks be alleviated?

There is no foreseeable risk that your participation is this study will affect your relationship with your employer. The findings of the 2015 GNH Survey (CBS, 2016) are an official document and are distributed widely. This interview will only explore the qualitative aspect of the findings of the 2015 GNH survey.

What are the benefits?

This study is being carried out as part of my PhD program. However, your participation in this study will enable you to better understand the concept of GNH and the details of the GNH indexes. The successful completion of this study would lead to a design of a policy response to sustainable wellbeing and happiness in Bhutan, whose official policy is precisely, to provide and maintain Gross National Happiness (GNH) to its people. Therefore, it will benefit the entire nation as well as other nations with similar pursuit.

What are the potential conflicts of interest in the research and clarification of how these will be avoided, minimised, or managed?

First, the Centre for Bhutan Studies (2016) stated clearly that, 'policy makers, private sector leaders, local and national government actors, civil society organisations and others are encouraged to dig into and enjoy the deep seams of insight from the GNH survey. May they find from the 2015 GNH survey, information that can be harnessed to advance GNH with imagination and creativity from their own situation' (p.10). The researcher is undertaking this research for a doctoral degree, and not in his official capacity. Second, the researcher sits outside the government domain and is taking up this study as part of his PhD program. There are no administrative or institutional relations between the researcher, the research, and the participants.

How will my privacy be protected?

You might feel concerned about exposing your identity and privacy. You have the choice to remain identified or unidentified in the study. I would like to reassure you that your identity will remain confidential, if you choose to remain confidential. In this scenario, your data will be assigned with pseudo names and your consent forms will be stored separately from the data. Only I and my supervisors at AUT will have access to your data and consent forms. Data and the consent forms will be stored separately in the AUT premises, for a period of six years. AUT premises includes offices and contracted archive facilities such as Iron Mountain. Should any participant withdraw from the study, all data relating to the participant will be destroyed whenever possible, with the exception of their Consent Form, a notification of the participants withdrawal from the project, and a note detailing how and when the data was destroyed, which are to be stored with the other Consent Forms for that project and destroyed along with them at the approved time.

What are the costs of participating in this research?

The interview will be for approximately one hour, at a time that best suits you via online (live chat). There is no foreseeable cost.

What opportunity do I have to consider this invitation?

You are requested to kindly send me the confirmation of either your acceptance or non-acceptance of your participant in this invitation in/within *two weeks'* time from the receipt of this letter via return email to jtvision2030@gmail.com.

Will I receive feedback on the results of this research?

A summary of the findings will be sent to you. When the study is concluded, you will receive an Executive Summary. You will be given access to the full report upon request.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to my Project Supervisor, Professor Nesta Devine at nesta.devine@aut.ac; Phone No. +64 9 921 9999 ext 7361. Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEC, *ethics@aut.ac.nz* , (+649) 921 9999 ext 6038.

Whom do I contact for further information about this research?

Please keep this Information Sheet and a copy of the Consent Form for your future reference. You are also able to contact the research team as follows:

Researcher Contact Details:

Jamba Tobden, PhD Student, AUT. Email: jvision2030@gmail.com

Project Supervisor Contact Details:

Professor Nesta Devine, AUT. Email: nesta.devine@aut.ac; Phone No. +64 9 921 9999 ext 7361

Approved by the Auckland University of Technology Ethics Committee on *type the date final ethics approval was granted*, AUTEC Reference number *type the reference number*.

Appendices 2: Consent forms

Consent Forms

Project title: *20/291 An* inquiry into the political economy of Gross National Happiness: An integrated policy response for sustainable happiness and wellbeing through enhanced government performance

Project Supervisor: **Professor Nesta Devine, Dr. Daniel Couch, and Professor David Peetz**

Researcher: **Jamba Tobden**

1. I have read and understood the information provided about this research project in the Information Sheet dated 24/03/2021.
2. I have had an opportunity to ask questions and to have them answered.
3. I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
4. I understand that taking part in this study is voluntary (my choice) and that I can withdraw from the process without penalty before data collection process is completed. However, I will not be able to withdraw after that as data will begin to be incorporated into analysis.

5. I am given the option to be identified or unidentified in the study, as follows:

   5.1   ○   If yes, the identity will be revealed in the transcript
   Yes

   5.2   ○   If not, then pseudonym will be used throughout. If I choose not to be identified,
   NO   while every effort will be made to remove identifiable information, due to the
               public nature of my position anonymity cannot be guaranteed by the researcher.

6. I agree to take part in this research.
7. I wish to receive a summary of the research findings (please tick one):   Yes○ No○

Participant's signature:

Participant's name:

Participant's Contact Details (if appropriate):

Email :

Date:

***Approved by the Auckland University of Technology Ethics Committee on 16th March 2021**. **AUTEC Reference number** 20/291 An inquiry into the political economy of Gross National Happiness: An integrated policy response for sustainable happiness and wellbeing through enhanced government performance.*

Note: The Participant should retain a copy of this for