

# PUTTING GROSS NATIONAL HAPPINESS IN THE SERVICE OF GOOD DEVELOPMENT<sup>1</sup>

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## **Introduction**

Gross National Happiness (GNH) has only recently appeared on the international stage,<sup>2</sup> yet it was immediately met with sympathy by scholars, political activists, and politicians around the world. What is the reason for this strong appeal of this concept?

In a historical perspective, the reason is probably a disillusionment with the broken promise of economic growth to truly improve people's lives and bring about a more equitable society. After a multifold increase of Gross National Product in many societies thanks to almost continuous economic growth over more than a century, even the wealthiest societies are still plagued by grave social problems like unemployment, child poverty, stress etc., and they are disappointed that the hoped-for benefits of economic growth largely failed to materialize.

In a philosophical perspective, however, the reason for the sympathy extended to GNH seems to be based on an - intuitive or conscious - *ethical* endorsement of GNH as being

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<sup>2</sup> Apparently the most conspicuous occasion at which GNH was presented to a wider audience outside Bhutan was the address by His Excellency the Prime Minister, then Chairman of the Council of Ministers, Lyonpo Jigmi Y. Thinley to the Millenium Meeting for Asia and the Pacific in 1998 (Thinley 1999).

*conducive to good development*, with “good” understood in a comprehensive, ethical sense. This implies that in order to endorse GNH, one must already have a normative frame of reference that allows one to make such a judgment in the first place.

The question that arises then is if GNH is, or can be conceptualized as, an exhaustive concept of good development that entirely fills in the ideal notion of good development, or whether GNH is just one aspect of good development that has to be complemented by additional normative concepts in order to appropriately substantiate the idea of good development.

Whatever the answer to this question, the merit and the potential of GNH to serve as a development concept is worth being investigated. To do so, the meaning of GNH has to be specified since no generally accepted interpretation seems to exist. This is not only a disadvantage of course as this conceptual openness invites a constructive debate on what GNH *should* stand for and how it *should* be operationalized. These two - essentially ethical - questions will be at the center of discussion in this paper.

The paper is structured as follows: the next section will discuss the nature of happiness and its relation to human behavior and decision making in order to shed light on the relationship between happiness and ethics. I will then briefly present my understanding of (deontological) ethics, before examining the relationship between happiness and economic growth on the basis of empirical evidence. I will then propose a particular interpretation of GNH and relate it to the concept of good development. Towards the end, I will point out some implications of my interpretation of GNH for its operationalization before I synthesize the main arguments into five succinct statements in the conclusion.

## **Happiness, Human Behavior, and Ethics**

At least since Thomas Hobbes, the belief that people's behavior and choices are motivated ultimately and exclusively by the desire to experience a maximum of happiness has gained wide currency not only in the social sciences but in popular wisdom as well. In economics, this belief in "psychological hedonism" has been particularly influential and practically became the anthropological basis of economic theory as a whole. As a deterministic model of human decision-making, it allows economists to subject human behavior to rigid, quantitative analysis.

While I shall not concern myself much with the peculiarities of economic theory, I will use psychological hedonism as a reference point to clarify my understanding of happiness and of its connection with ethics.

### ***Happiness***

Even though every language seems to have a word for happiness or satisfaction and people from all cultures apparently have no difficulty understanding its meaning - albeit with slightly different nuances - the idea of happiness defies a precise definition. Depending on context and perspective, happiness may be understood in a variety of ways. For the purpose of this paper, a distinction between an *empirical* and a *normative* concept of happiness appears appropriate.

The *empirical* concept of happiness falls into the domain of psychology where the term "*subjective well-being*" (SWB) has been coined to describe an individual's subjective, self-reported overall happiness as expressed along a one-dimensional scale. To preempt the most frequent source of mistaken skepticism, it is crucial to appreciate the meaning of the attribute 'subjective'. It means that SWB really is the unquestioned perception of each individual himself taken at face value, rather than a normative concept of "actual well-being". When it is stated, for example, that the SWB of person

A is higher today than it was yesterday, this does not - at least not necessarily - mean that this person is actually faring better today than he was yesterday (*i.e.*, “faring better” in a normative sense of ‘quality of life’). It does mean, however, that he judges his well-being more favorably today than he did yesterday.<sup>3</sup> SWB alone, therefore, does not suffice to tell us how happy an individual is in an absolute, moral sense (in the remainder I will refer to this as “actual well-being” or as “the happiness we actually value”). SWB is not meant to replace such ethical concepts as *eudaimonia* (Aristotle 1998), the good life, or quality of life (Nussbaum & Sen 1993). Of course, it is plausible to suppose that SWB is closely correlated with “actual well-being.” Indeed, once SWB data are interpreted in a specific context, one may find compelling arguments for specific conclusions about “actual well-being”. As long as one is looking at raw data, however, SWB should simply be taken at face value, namely a subject’s statement on her perceived degree of well-being. In this sense, subjective well-being is a fairly objective concept. While the data themselves rely on subjective assessments by the respective respondents, the methodology is perfectly objective and independent of any researcher’s personal evaluations.

As a *normative* concept, on the other hand, happiness requires not only an instantaneous positive mental experience, but also the reflected approval of its propriety by the respective person herself in the presence of all relevant information. Happiness in this sense will be called “happiness that is actually valued”, or “valued happiness” for short, and it is to be understood as a judgment. To illustrate what this entails, consider the thought experiment of a happiness machine that can give you pure and unlimited pleasure for an arbitrarily long period (Nozick 1989).<sup>4</sup> What is more, this

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<sup>3</sup> A case where reported happiness and actual quality of life obviously diverge in this sense is the case of Olympic silver medal winners who on average report lower SWB than bronze medal winners (Schwarz & Strack 1999: 67).

<sup>4</sup> This idea is no pie in the sky anymore. In the brain of rats, a pleasure center could be identified which, when stimulated

machine generates not just dull pleasure but the perfect illusion of happiness. The person connected to this machine will experience a perfect illusion of friendship, love, good music, delicious food etc. and will actually believe to be happy for these reasons, completely unaware of being locked into that machine. There would be no negative side-effects of using this machine and its use would not imply any costs, nor would it be addictive.

Imagine a person uses the machine while mourning the death of a friend. Even if, while using the machine, he forgets about his friend's demise and experiences pleasure, we certainly would not call this person happy because the happiness we actually value is more than the sensation as such. Happiness is inseparable from the particular reason that makes us feel happy (Spaemann 1989: 41, 73) and in this sense it is not an *end* that is achieved through *means* (which would not have any intrinsic value) but rather a *symptom* that indicates that a person has some intrinsically valuable *reason* for being happy. When we are happy for a friendship, for example, we do not only care about the effect this friendship has on our psychic well-being, but also and primarily about the friendship itself as the reason for our happiness. Similarly, we do not only want to *experience* love, we want to actually *be* loved - and we even hate to experience love that is just pretended. Put differently, we do not only want the pleasure generated by the feeling to be loved, we also want this love to be genuine, to actually *be the case* (Nozick 1989: 106). In the same vein, someone who finds out about her husband's infidelity is not unhappy for having *discovered* it but for his *being* unfaithful. In short, the sensation of happiness is not separable from its underlying reason. The event that makes

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electronically, makes the rats show all symptoms of pleasure, and this effect does not wear off over time. The rats even neglect food while being in such a state. Technically, the same effect could be exploited in human beings, as seriously advocated by Ng (1997: 1849) who sees the promise of "increasing our welfare by a quantum leap."

me feel (un)happy is not the substitutable *cause* of my happiness but its irreplaceable *content* (Spaemann 1989).

Understanding happiness this way does not mean to look down upon spontaneous pleasure for the sake of an “intellectualized” concept of happiness. Pleasure, which I understand here as an immediate, pre-reflective positive mental experience (such as enjoying tasty food, listening to music one likes etc.), is in itself valuable and needs no moral justification. Nevertheless, for pleasure (as a pre-reflective experience) to become happiness, (as a judgment), the person must at least not morally disapprove of the experience she finds pleasurable - a vegetarian, *e.g.*, might stop enjoying his food when he discovers that it contains meat, even though he would otherwise enjoy the taste.

The distinction between the empirical concept of happiness as SWB and the normative concept of happiness as “valued happiness” is best understood as a distinction between a solipsist and a self-transcendental perspective. In the *solipsist* perspective, the person cares only about his inner mental states as recorded in some pleasure center within his brain and is entirely indifferent with respect to both (i) the reasons that bring about these inner mental states and (ii) anything that does not become part of his experience (and hence does not influence his inner mental state). Such solipsism is in fact the distinguishing feature of hedonism in general (not only psychological hedonism as a specific hypothesis). In the *self-transcendental* perspective, by contrast, a person is seen as caring also about (i) and (ii) and as in this sense transcending his self.

### ***Linking Happiness with Ethics***

The link between happiness and ethics can be thought of as twofold, making a distinction along the lines of the classical separation between teleological ethics - basically the “private” questions of the *good life*, of who I want to be and how I want to live - and deontological ethics - the “social” question of

*legitimacy*, of one's rights and duties *vis-à-vis* other moral subjects.

Psychological hedonism, to take up my point of departure, supposes a very mechanical relationship between happiness and ethics. With respect to teleological ethics, it says, first, that happiness is the only thing that counts when it comes to choosing who one wants to be and how one wants to live, and, by implication, that the things from which a particular person derives happiness are predetermined by nature and therefore beyond this person's own will. To use economic terminology, a person is assumed to simply *have*, rather than *choose*, a consistent set of preferences that provide the algorithm to calculate, in any given situation, the optimal decision, *i.e.*, the decision that will maximize her happiness.<sup>5</sup> The kind of rationality involved here is purely *instrumental rationality*, *i.e.*, it is a matter of optimization with respect to a *given* end.

With respect to deontological ethics, the deterministic nature of psychological hedonism renders the very idea of rights and duties meaningless because one cannot sensibly demand from predetermined beings (which resemble a clockwork more

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<sup>5</sup> Two likely objections to this account of utility maximization can be anticipated. First, economists are sometimes reluctant to identify utility with happiness. In the context of the present argument, however, the precise meaning of utility is irrelevant. It is identified with happiness simply for the sake of terminological consistency, to avoid introducing redundant terms. Second, some economists propose a distinction between ordinary preferences and meta-preferences and claim that it is not necessary to make any assumptions on the origin of meta-preferences, *i.e.*, whether these are predetermined or chosen. Yet, while this distinction may be a useful heuristic device to separate instrumental and volitional rationality (more on this below), it cannot be maintained on a more fundamental level because it is logically impossible to derive deterministic outcomes (in this case: decisions) from an indeterminate basis, unless further artificial assumptions are made (such as a rigid temporal separation between an indeterminate and a deterministic phase of life).

than a person) to behave in another way than that which they are programmed to follow, the reason being that morality as such requires indeterminacy of human behavior. In general, therefore, whether others are affected by one's choices or not, psychological hedonism claims that an individual's decisions are always and exclusively the deterministic manifestation of one's preferences, whatever these happen to be. Thus, psychological hedonism subscribes to a solipsist conception of the person and does not know the concept of morality.

In a self-transcendental perspective, by contrast, the teleological question of the good life is not a matter of maximization. In this perspective, it is strictly impossible to maximize happiness, even if it was proclaimed as one's strategy, because people simply do not from the outset dispose of a given set of preferences. Rather, they have to choose and continuously reaffirm, or revise, their preferences without knowing which selection of preferences will leave them happiest. Having no pre-established set of preferences, there is no way they can optimize their choice. Instead they will have to decide by virtue of their free will, *i.e.*, by *volitional rationality*, which preferences they consider worth having. This is pretty much what people colloquially mean when they say that they have to decide what they really want. This choice is in a fundamental sense indeterminate and unpredictable and, by its very nature, cannot be explained in the same causal way as decisions of instrumental rationality. Furthermore, in terms of deontological ethics, the very idea that people are so dominantly motivated by a concern for being happy (or avoiding unhappiness) seems to be overly rigid and far removed from our everyday experiences. For example, economists typically explain the phenomenon that people spend effort and time in order to cast their vote in political elections, despite knowing that their vote will make virtually no difference to the overall outcome, by a motivation to avoid the pain of a bad conscience that would result from a good citizen's failure to vote. This argument, however, raises the question why somebody who failed to vote would have a bad conscience, and why she would want to be a good citizen



in the first place. Why would such a person not just get rid of this “preference for voting”, given that she does not benefit from it anyway? An economist might continue assuming the presence of some higher-order preferences, but ultimately would have to concede that he can only assume, but not explain, the presence of such preferences. In a self-transcendental perspective, by contrast, voting would be explained - to the extent it is explainable - by an intrinsic motivation to act in accordance with those moral principles which one has found to be irrefutable. Of course, living up to these principles will most often be a reason for a person to feel satisfied, but then only as a *symptom* of one’s successful commitment to one’s principles, rather than its *cause* or motivation (*cf.* above p. 82). Or more generally, as Frankl (1978) put it: rather than seeking happiness, we seek a *reason* to be happy, and the more we directly chase after happiness rather than after a reason for happiness, the more we get removed from it. “Happiness cannot be pursued, it must ensue” (Frankl 1978: 288).

Defenders of psychological hedonism might claim that this postulate is entirely speculative and cannot be falsified (and hence would not qualify as a scientific theory in the sense of Popper [1959/1934]). Such critics would be perfectly right with this claim, but should not overlook that the same is true for psychological hedonism as well, and in fact for any anthropological decision theory. One simply cannot do without such speculation when theorizing about human behavior. What I attempted to show is merely that the speculative assumptions of psychological hedonism have little plausibility because they imply that people are completely determined and have no free will, while the - equally speculative - assumptions of the self-transcendental conception of behavior are closer to our self-perception as autonomous persons who act upon reasons rather than being pushed around by causes.

To the degree people have a free will, then, they can actually choose different preferences than those they actually hold at

a given point in time.<sup>6</sup> To be sure, human beings cannot choose their preferences entirely arbitrarily. The natural liking of sweet and distaste for bitter tastes, for example, can apparently not be reversed at discretion. Nevertheless, there seems to be some scope to choose our preferences - we can, so to speak, learn to like our coffee with or without sugar. When our preferences are not just about the sugar in our coffee but about things that affect other people, this is where deontological ethics comes in. A murderer, to illustrate this point with an extreme example, must be acquitted by the defenders of psychological hedonism because, in their view, his lethal preferences were forced upon, rather than chosen by, him (through his genetic disposition and environmental influences). When it is believed that human beings have a free will, however, he can be held responsible for not having chosen more benign preferences (or for having failed to contain his wicked preferences), because he could have refrained from killing; there was nothing, in particular no preference map, that forced him to kill. Positively speaking, a socially responsible person will, in this view, act responsibly not *in order to* feel good. Rather, she will feel happy because her successful living up to her moral principles and her sharing in the happiness of others are *reasons* for her to feel so, and this is so because she has come to accept these moral principles as irrefutable. Why she has adopted these benevolent principles while others have not done so may partly be due to education, socialization etc., but ultimately remains a matter of an indeterminate free will and is therefore beyond complete causal explanation.

Two major conclusions follow from these considerations: first, that individual well-being is not a static function ingrained in human nature but an ultimately free judgment dependent on the values and preferences a person has chosen. This implies - as is also supported by empirical happiness research - that

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<sup>6</sup> I continue using economic terminology for the sake of cross-disciplinary communication, even though it does not do full justice to the phenomena discussed.

favorable life circumstances are just a necessary, and not sufficient, condition for happiness and that happiness ultimately springs from a human mind. "Happiness is not something that happens to people but something that they make happen" (Csikszentmihalyi 1999).

Second, the human *capacity* to make free decisions entails the *duty* to make only such decisions that are legitimate. Among free individuals, others always are entitled to demand from me a revision of my preferences if these, or rather the actions they engender, violate their respective rights. Taken together, this means that a society - or a government, or a family - should not see as its aim the promotion of happiness for its own sake (*e.g.*, by distributing feel-good pills), but rather the creation of conditions and the transmission of values that allow people to find legitimate reasons for happiness.

### **Ethics: the Moral Point of View**

The previous references to ethics raise the question of what exactly is understood here under such concepts as 'morality', 'legitimacy', 'rights', and 'duties'. In what follows, I will give a rough indication of my understanding of deontological ethics - *i.e.*, the legitimacy dimension of ethics, leaving aside the teleological dimension of ethics for the moment - which is rooted in discourse ethics as developed by K.O. Apel and J. Habermas. For a more elaborate treatment the reader is referred to the relevant literature.<sup>7</sup>

Systematically speaking, *deontological ethics* is the scientific discipline that reflects on morality and the possibility of the universal validity of moral principles. *Morality*, in turn, is the specific, disinterested attitude that submits the pursuit of one's personal interests, which is not immoral as such, to the categorical condition of legitimacy. This attitude is only

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<sup>7</sup> Cf. Apel (1973) and Habermas (1983). For a discourse ethical conception of economic ethics cf. Ulrich (1998b,1998a).

genuinely moral when it is adopted out of a disinterested recognition of the dignity of other persons, rather than out of the calculated expectation of a personal advantage. *Legitimacy* is warranted when one's behavior conforms to norms that are *universalizable*, *i.e.*, norms that can in principle be accepted by everyone.<sup>8</sup> Put differently, a choice is legitimate when it can be justified before all those potentially affected by its consequences. This justification can be thought of as a universal approval by an unlimited communicative community (Habermas 1983: 99).

This criterion of legitimacy is not to be understood as requiring a factual consensus in a real discourse. Rather, it is meant as a regulative idea, *i.e.*, an ideal type situation that merely provides the "moral point of view" (Baier 1958), rather than a "social technology" that generates solutions to moral problems (Ulrich 1988a: 11). This lack of concreteness may be criticized, but then this very lack is a characteristic of ethics itself and merely reflects its indeterminacy, and the feat of discourse ethics of having developed a firmly reasoned moral point of view must not be underestimated. In fact, any ethical theory offering a deterministic ethical formula that can always tell right from wrong would promise more than may, and should, be expected.<sup>9</sup>

In short, morality thus understood is not about altruism or selflessness. Rather, it requires that one voluntarily subordinates one's interests and actions to the criterion of legitimacy by ensuring that one respects the rights of all others in one's pursuit of one's interests. Seen from another

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<sup>8</sup> This idea of universalizability has most prominently been expressed by Kant in his Categorical Imperative (Kant 1977/1785: 51, 62), even though the essence of this idea is much older, going back at least to the "Golden Rule" that can be found in a variety of holy scriptures.

<sup>9</sup> "The idea that there is a book in heaven that contains the answers to all moral problems seems as naïve as the fear that, in the absence of such a book, everything becomes arbitrary." (Tugendhat 1995: 332).

angle, it requires that the norms of one's behavior be universalizable in the sense that they can be accepted, or enjoyed, by everybody equally.

Under this view, what is right and wrong depends ultimately on people's free judgment of what they find justifiable or rejectable, and therefore on their free choices. Consequently, a moral discourse, even an imaginary one, is not merely a means to find a pre-existing moral solution that is just waiting to be discovered like the solution to a mathematical equation. It is rather through the discourse itself that it is established what is and is not legitimate. After all, the very act of taking a genuine interest in others' rights - a characteristic of any discourse worth its name - is itself constitutive of, though not sufficient for, moral actions.

Providing merely a formal principle defining the moral point of view, rather than a catalogue of norms or values, discourse ethics seems to be less vulnerable to accusations of culture-dependence. In fact, for an objection against discourse ethics - whether voiced from within a culture or out of a different cultural context - to be an objection at all, *i.e.*, to be a reasoned critique rather than a mere statement, it has to invoke precisely those norms that are explicated by discourse ethics. The only way to escape this "forceless force" (Habermas 1981: 47) is to refuse the discourse altogether which would identify the speaker as a moral fundamentalist who thereby places himself outside the moral community. Except for such fundamentalist convictions, however, discourse ethics indeed seems to describe the proper, universal "moral point of view" irrespective of cultural specificities.

### **Happiness and economic affluence**

Empirical happiness research has produced a remarkable body of evidence on the relationship between economic affluence and happiness. Yet, except for a few neat results, the overall picture is rather heterogeneous and difficult to

interpret.<sup>10</sup> In a nutshell, what has become clear is that, *within any given society with some degree of income inequality*, the poorest 20 or 30 percent are significantly less happy (in terms of SWB) than the upper 70 or 80 percent of the income distribution. It is also well-documented that *at a given point in time*, rich nations tend to be more happy than poorer ones, even though this seems to be true only up to some threshold level in the order of magnitude of US\$10,000 annual per capita income, and even far below this value one finds positive outliers with levels of happiness that are also found in very rich countries. On the other hand, there is little evidence that nations become happier as they get richer *over time*. While there are virtually no data for developing countries - which limits the potential for generalization - the data series coming closest to witnessing the escape from poverty is that of Japan beginning in 1958, which shows no significant upward trend over more than thirty years.<sup>11</sup>

Three major effects can explain the bulk of these observations. First, the happiness deficit of the poorer segments within a society and the failure of average SWB to rise with average incomes are to a large extent due to a “secondary inflation” effect (Hirata 2001: 36) that reduces the value, in terms of “functionings” (Sen 1980/1983), of a given consumption level (*i.e.*, a level that is constant in terms of a representative basket of goods) as a society grows richer. For example, growing car ownership often leads to a deterioration of public transport services which means that those people whose real incomes fail to rise with those of the majority will end up being worse off (*i.e.*, in terms of the functioning of mobility), and that the possession of a car partly reflects a new necessity rather than the satisfaction of a genuine desire.

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<sup>10</sup> Cf. Hirata (2003: 10ff) for the sources of the following claims. For a comprehensive discussion of methodological and other issues in happiness research cf. Kahneman, Diener & Schwarz (1999).

<sup>11</sup> A more recent study found some evidence for a positive time-series effect (Hagerty and Veenhoven (2003), but as argued in Hirata (2003) some of their calculations seem to be wrong.

More fundamentally, the functioning of social participation depends to a substantial degree on relative income. Socializing is simply more expensive in rich societies than in poor ones, and it may be doubted whether the additional money spent on social activities buys an increase in happiness. “In a poor society a man proves to his wife that he loves her by giving her a rose but in a rich society he must give a dozen roses” (Layard 1980: 741).

Second, people appear to get used to the new comforts brought about by rising consumption standards, but they frequently fail to anticipate this “hedonic adaptation” (Loewenstein & Schkade 1999). As a consequence they spend money on goods that have only a temporary effect on happiness, and too little on goods that would yield lasting happiness. Empirical evidence for hedonic adaptation is overwhelming (Loewenstein & Schkade 1999).

Third and most important in this context, on a social level consumption is largely a zero-sum game in terms of happiness.<sup>12</sup> Even in the case of consumption goods that are not subject to hedonic adaptation, their happiness effect may be annihilated as soon as others can afford the same good. This is either because the increase in demand leads to congestion effects (*e.g.* holidays on a remote beach) or because the source of satisfaction consists precisely in being ahead of the crowd (*e.g.* the satisfaction from having a superior social status). To the extent consumption takes place in such a competition for “positional goods” (Hirsch 1976: 11), individually rational decisions will result in a socially wasteful allocation of resources, just as standing on tiptoe in a theater will improve each one’s view individually but not lead to a better view for the audience as a whole. As Hirsch (1976) and, more recently, Frank (1999) convincingly argue, positional competition is a pervasive phenomenon in affluent societies.

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<sup>12</sup> Hirsch (1976) provides a brilliant analysis of this effect and is the basis for the following discussion.

However, despite these three effects, some hope remains. Not all ways of spending money are subject to the secondary inflation effect, hedonic adaptation, or positional competition. Relief from the stress of driving through dense traffic, regular physical exercise, noise abatement, and freeing up time to socialize with friends are empirically confirmed examples for transforming resources into happiness that neither wears off over time (at least not entirely) nor depends on relative position (Frank 1999: 81ff).<sup>13</sup>

On the whole, the evidence on the relationship between wealth and happiness strongly suggests that it is not governed by a mechanical quantitative law, but that it is above all the quality and not the quantity of consumption that has an impact on how satisfied a society is. To be sure, SWB requires at least the satisfaction of life-sustaining needs and certainly some degree of material comfort beyond that. Yet, this still leaves a large range of income levels and consumption standards that offer the potential, but no guarantee, for pervasive happiness.

Nothing of this is to say that economic growth is *per se* undesirable. In a modern market economy operating on international markets, a failure to grow at the same pace as one's trading partners will most likely be associated with rising unemployment which in turn breeds unhappiness. It would miss the point, though, to propose a stimulation of economic growth in order to contain unemployment because, depending on the perspective adopted, economic stagnation can be seen as either the cause or the consequence of unemployment. In the latter perspective, a reduction of unemployment will automatically result in economic growth whenever technological progress takes place. The point is that focusing on economic growth is less plausible as a policy objective (at least for affluent economies) than focusing on reducing unemployment. When confronted with a choice

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<sup>13</sup> Strikingly, almost all examples concern the alleviation of problems typical of affluent societies.



between (a) stagnating GNP but full employment or (b) rising GNP but stagnating high unemployment (which would, for example, result from an extension of the work week), empirical evidence overwhelmingly suggests that the former will be more conducive to SWB.

### **Gross National Happiness and good development**

The recognition that economic growth is not *per se* a good thing has led people to look for concepts that would better reflect human betterment. As a result of the ecological awakening in the early 1970s, attempts were made to adjust GNP for unaccounted costs in terms of lost natural capital and negative external effects, *e.g.*, those caused by noxious fumes, on the quality of life. Being more concerned about poverty, the United Nations Development Program (UNDP) designed the Human Development Index (HDI) that integrates GNP, longevity, and literacy data into a single figure. Both initiatives were, and continue to be, important correctives to the obsession with GNP, but, as will be argued below (0), they remain deficient because they remain committed to a one-dimensional (utilitarian) concept of good development.<sup>14</sup>

A much more profound shift of perspective was made by His Majesty the IV King of Bhutan when he declared Gross National Happiness to be the primary, though not exclusive, principle of the country's development efforts without forcing that idea into a quantitative index. Since then, and especially since GNH has risen to international awareness, GNH has found many advocates. What these advocates claim is not merely that GNH should be adopted *in order to* achieve, say, happiness, *i.e.*, *if* happiness happens to be one's goal, but their claim is that GNH should be adopted because it is a better development concept, full stop. In other words - in Kant's words actually - they do not make a *hypothetical* claim

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<sup>14</sup> Some proponents of such single-index indicators recognize this deficiency but justify their use by their strategic value (Sen 1999).

but a *categorical* one (Kant 1977/1785: 43), and this means they are making an *ethical* statement.

To make such a statement, and to arrive at a favorable comparison of GNH *vis-à-vis* competing concepts (such as GNP), one must as a matter of logical necessity have some comparison criteria, some normative frame of reference which provides orientation between good and bad, right and wrong, just as a compass does between North and South. In the context of societal development, this frame of reference is implicit in the notion of *good development*. This is of course only a formal concept, a point of reference providing orientation and must not be mistaken for a concrete objective, or a utopia, that is to be accomplished. Similar to the ideal concept of a geometrically perfect circle that only exists as an idea and can never be found in the real world, good development stands for a criterion, a *regulative idea*, rather than for an objective. Different from a circle, however, it cannot be completely defined. As an ethical idea it is even ultimately indeterminate just as ethics itself (*cf.* p. 89). Hence, rather than being a weakness, this elusiveness of good development is just consistent with its role as representing the idea of the good itself.

When I talk about development in this context, this is not to be understood merely as the process of eradicating hunger and abject poverty in the so-called “developing countries” and neither as the economic catching up of these countries to the consumption levels of the high-income countries, but rather as the never-ending effort of all societies to narrow the gap between the actual and the potential goodness of social arrangements and of the well-being of citizens. With this understanding of development, all countries are and will always be developing countries.

For good development to deserve its name, it must also be justifiable in a temporal and in a global perspective. It must not only be concerned with the people currently living in a given society, it must also take into account the rights of

future generations (temporal perspective) and those of other societies (global perspective). This is of course not an additional requirement but merely the consequent generalization of the idea of universalizability. Having said this, my intention is merely to flag these two dimensions as worth bearing in mind, but I will not be able to discuss them explicitly within the scope of this paper.

So far and to my knowledge, the concept of GNH is defined only to a limited extent, namely by the four major goals of (1) economic self-reliance, (2) environmental preservation, (3) cultural promotion, and (4) good governance (Thinley 1999: 16). Moreover, it is usually seen as one principle next to others, not as the only principle of development, as expressed in the famous phrase by His Majesty the King, “Gross National Happiness is more important than Gross National Product” (Thinley 1999: 12-13) (rather than saying that GNH is the *only* objective of importance).<sup>15</sup> And of course the term “happiness” speaks for itself and thereby fills the concept of GNH with substance, but again with some scope of interpretation as there is no universally accepted concept, let alone definition, of happiness.

When going about to conceptualize GNH in what follows, I will therefore take as a starting point the following assumed consensus on the meaning of GNH:

- GNH comes with a moral claim to be conducive to good development.
- GNH is an (incomplete) catalogue of goals and priorities, with the four major objectives (as mentioned above) as its goals and with happiness as the first priority.
- GNH is not an ethically inclusive concept, *i.e.*, it is not in itself sufficient to substantiate the idea of good

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<sup>15</sup> In a recent government document, however, it is, unfortunately, suggested that happiness should be maximized (Planning Commission 1999).

development, but needs to be complemented by other principles.

Apparently, GNH is essentially about allowing people to live well and to be happy. In philosophical terms, therefore, it is a *teleological* concept, one that is concerned with what is *good* (as opposed to *right* or *just*). Good development, however, must integrate the *teleological* perspective of the good life with the *deontological* perspective of legitimacy, otherwise it will remain incomplete. Put differently, good development not only needs a conception of what constitutes a good life (happiness, for example), it also needs principles that provide criteria to decide what is *right* when the good life, or the happiness, of one person conflicts with that of another. For example, if of two neighbors one finds happiness in silence and the other in listening to loud music, the principle of happiness does not provide any orientation of how this conflict of interest should be dealt with.

In fact, there is a school of moral philosophy, namely utilitarianism, that does claim exactly this, that the criterion of happiness can also decide questions of legitimacy. In the principle of total utility maximization, utilitarianism claims to dispose of a criterion that tells right from wrong: maximizing utility is right, anything falling short of utility maximization is wrong. In the example of the two neighbors, the volume should (not *may*, but *should!*) be turned up as long as the increase in the music lover's happiness is larger than the loss in his neighbor's happiness. (Of course these happiness increments cannot be precisely measured, but this can be regarded as a practical limitation of all moral criteria and no particular deficiency of utilitarianism.) Looking closer, however, it is evident that it is not happiness itself that provides the criteria of right and wrong, but the principle of maximization together with some more or less natural premises.

This principle is problematic for at least three reasons. First it must presuppose that people have rather than choose their

preferences (*cf.* p. 85). If, by contrast, people are assumed to have a free will, happiness maximization is simply not possible as a matter of logic - one cannot deduce determinate results from an indeterminate basis.<sup>16</sup>

Second, following directly from the rejection of a free will, people cannot be held accountable for their preferences. Imagine a poacher who would be prepared to pay a large amount of money to a community to be allowed to shoot the remaining snow leopards in their forests to take their furs home as trophies. Happiness maximization would demand that the poacher should be allowed to hunt down the snow leopards if the resulting total happiness rises as a result (ignoring the (un)happiness of the snow leopards of course). When people find this way of settling conflicts of interest outraging, it is because they do not, as utilitarianism does, take a person's happiness as given and as beyond critical reflection. They would contend that the poacher can and should revise his preferences and that he should derive happiness from more benign purposes - and that otherwise he deserves to be denied that source of happiness even if that reduces the sum total of happiness.<sup>17</sup>

Third, people obviously care about more than happiness alone. For example, when a person forgoes an opportunity for personal happiness in order to honor a promise even though that does not bring her any significant benefit, then this person puts commitment before happiness (Sen 1983). Saying that commitment is also a source of happiness and enters into her hedonistic calculus would again assume that the person has not herself chosen to want to commit herself, but that she just happens to have a preference for commitment.

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<sup>16</sup> *Cf.* footnote no. 5.

<sup>17</sup> This implies that this kind of conflict is not merely a matter of negative externalities. In fact, I would contend that the questionability of preferences discussed here demarcates the limit to the internalization of external effects and, on a more fundamental level, constitutes the blind spot of economics with respect to deontological ethics.

This kind of reasoning, however, would bereave the idea of commitment of its very essence - and the person of her personality.

Rejecting happiness *maximization* is of course not the same as rejecting happiness as one policy objective among others *embedded* into a larger concept of good development. In particular, I would like to propose an interpretation of GNH where happiness fulfills two distinct roles: one as a teleological substantiation of good development, and the other as a heuristic device.

In its first role, happiness *substantiates* the formal concept of good development by specifying what it should primarily be about. In particular, it gives priority to mental well-being, to positive sentiments, and to a positive evaluation of one's life to the degree these concepts are implied by the idea of happiness. In other words and recalling what has been said above about the nature of happiness, it focuses on allowing people to have reasons for contentment and happiness. While there are certainly some rather universal characteristics of happiness, each culture may give varying weights to the different aspects of happiness and emphasize additional qualities that would be part of a culture-specific understanding of happiness. In a Buddhist tradition, *e.g.*, individual enlightenment, control of one's desires, and freedom from excessive self-concern (Thinley 1999: 17-18) would perhaps play a central role. Singling out such a conception of happiness as a development priority contrasts with the traditional Western development paradigm which was driven by a deep-rooted ethos of industrious thriftiness that has been famously attributed to the "Protestant Ethic" by Max Weber (1975/1920).

The importance of a society's development paradigm, I would argue, seems to lie not primarily in its direct influence on political decisions, but in the impact it has on people - whether ordinary citizens or politicians - as an orientating principle. It provides or legitimizes rationales people invoke in

designing institutions, in the reflection on their values, and even in their everyday decisions. At least, many decision rationales in the affluent Western societies seem difficult to explain if not by the prominence of GNP as the epitome of good development.<sup>18</sup>

In its second role, happiness can serve as a heuristic device within the concept of GNH to elucidate the subtle psychological and societal phenomena that drive a wedge between what people actually want and what eventually results from their decisions (as discussed above). Knowledge of these phenomena may allow the individual to make less decisions he will have to regret (because he fell into some psychological trap), and it may allow society to contain prisoners' dilemmas by instilling in citizens a sense of collective interdependence, making the need for commitment to social norms more plausible to the individual.

In either of these roles, GNH does not, and should not, play its role as a "user manual" for decision makers, but rather as a mental ferment that leads to better informed and more thoroughly reflected choices, private and collective, and as a proclamation of a societal consensus of value priorities that lends authority to the "soft" argument in favor of happiness. Thereby, happiness should enrich the deliberative process that should be taking place anyway, and in which decisions should be taken by the conscientious assessment of reasons rather than by maximizing a happiness function.

The relationship between good development and GNH is therefore one between a formal principle and its concrete meaning in a specific context in which people identify with a particular ethos. By giving substance to the concept of good

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<sup>18</sup> Lane, *e.g.*, posits that "the market culture teaches us that money is the source of well-being," and that people, "lacking privileged knowledge of the causes of their feelings, ... accept conventional answers" (Lane 2000: 72).

development, it may be argued, GNH is itself already the first step of operationalizing good development.

### **Operationalizing Gross National Happiness**

Even though GNH is more substantive than the formal concept of good development, it remains a rather ideal concept. Hence, if one wants to fix the way it is translated into consistent decision rationales that can be applied to concrete situations,<sup>19</sup> GNH needs to be further operationalized. In fact, GNH has already been operationalized to some degree by the specification of the four major goals mentioned above, but it remains unclear - at least in the literature I am aware of - through which ordering principles these goals relate to each other. In the first part of this section, therefore, I will try to delineate one possible ordering principle by examining the economic-liberal stance that good development, and perhaps happiness, consist primarily or even exclusively in letting people choose individually for themselves free from collective restrictions and without questioning their choices. After laying out my objections against this view, I will propose an alternative maxim as the basis for operationalizing good development and will then revert to the four major goals of GNH. In the second part of this section I will briefly discuss the role indicators should play in the operationalization of GNH.

#### ***Liberty and Happiness***

Proponents of the economic-liberal position basically make two distinct arguments. First, they posit that freedom of choice is of intrinsic value, *i.e.*, valuable independent from the consequences this freedom has on welfare. Second, they believe that economic theory and common sense justify a far-reaching trust (i) in each individual's ability to make those

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<sup>19</sup> This is how I understand the title of this seminar. While GNH has all along already been translated into concrete decisions by Bhutanese decision makers, I understand that its operationalization seeks to spell out and fix the way this translation ought to be done in order to warrant some degree of coherence.



choices that are in her best interest, and (ii) in an “invisible hand” (Adam Smith) that transforms uncoordinated individual choices into social welfare.

- (1) Regarding the first point, it should be noted that saying something to be of intrinsic value is not the same as saying that something has to be protected whatever the cost. For example, I may consider animals to possess intrinsic value, yet still approve of hunting for the purpose of keeping animal populations in balance if the killing of some animals is justified by reference to some other intrinsic value of more weight (such as the long-term survival of the biotope). I could not, however, approve of hunting just for the fun of it because, in my view, hunting as a source of fun can perfectly be substituted by other activities that do not require to compromise on intrinsic value. In the language of Immanuel Kant, saying that something is of intrinsic value would mean that it shall “always at the same time be treated as an end and never only as a means” (Kant 1977/1785: 61), but not that it may never and under no circumstances be *also* put in the service of another purpose of intrinsic value. In the context of free choice this means that I can acknowledge the intrinsic value of free choice, yet at the same time advocate selective limits to free choice where this is justified by other intrinsic benefits I consider more urgent.
- (2) Regarding the second argument, I shall raise three more or less related objections against an unlimited trust in individual rationality and the invisible hand.
  - (a) First, individuals appear to make systematic mistakes in predicting which choice will make them happiest. In addition to the well-established phenomenon of hedonic adaptation (*cf.* p. 92), I will propose an argument by Norberg-Hodge (1991) that can be labeled the “seduction by modernity”-hypothesis. Since her argument is based on anecdotal evidence and can therefore not be generalized, I will merely propose it without being in a

position to defend it as a general phenomenon. Nevertheless, considering that she has closely witnessed the entire process of modernization in Ladakh - a region in North-West India which appears to share some important characteristics with Bhutan, at least until just a couple of decades ago - her narrative might be of relevance to the challenge of good development faced by Bhutan.

Her argument basically is that the first contact with modern lifestyles by people in traditional societies, most often through the presence of Western tourists and television, instills an immense admiration of the achievements of modernity while concealing the downsides of economic progress.

“For millions of youths in rural areas of the world, modern Western culture appears far superior to their own. It is not surprising since, looking as they do from the outside, all they can see is the material side of the modern world—the side in which Western culture excels. They cannot so readily see the social or psychological dimensions—the stress, the loneliness, the fear of growing old. Nor can they see environmental decay, inflation, or unemployment. On the other hand, they know their own culture inside out, including all its limitations and imperfections.” (Norberg-Hodge 1991: 97-98)

People see the convenience of time-saving appliances - but not that competition for productivity increases the pace of life. They see that by earning money they can afford valued goods - but not that monetization threatens to undermine social relationships (*cf.* also Rhodes 2000). They see that work in the modern sector is less strenuous - but not that a sedentary lifestyle makes people prone to obesity and diseases of civilization. They see that a good education increases the chances of their children to get high-paying jobs - but not that widespread schooling will separate children from their parents and, if based on

Western curricula, will alienate them from their own culture (*cf.* also Wangyal 2001).

I hasten to emphasize that I am not implying that traditional life is always and in all respects better than modern life. Norberg-Hodge herself also acknowledges that modernity brings improvements too. Rather, the point is that people in traditional societies may have a biased perception of modern life, clearly seeing its blessings, but largely ignoring its dark sides. This may to some extent be due to a lack of information, but also to a systematic bias inherent in cognitive processes. For example, people typically fall prey to the “focusing illusion” (Schkade & Kahneman 1998), overstating the satisfaction they will derive from a specific change in their life simply because their attention is drawn to this particular life domain. By highlighting this bias in perception, I do not say that people should always decide against modern lifestyles, but merely that people’s decisions would better serve their authentic interests if the less visible effects of modernization were also appreciated.

(b) My second objection concerns the trust in the *efficiency* of a benevolent invisible hand. To be sure, the market mechanism is often a highly efficient way to organize production and allocate goods, and there are good reasons to make use of this mechanism for the purpose of good development. However, to the degree people compete for positional goods and thus engage in a zero-sum game (*cf.* p. 113), the invisible hand may turn counterproductive. In this case, the market mechanism will lead a society to spend real resources on relocating goods among people (generally from those with little to those with much capital - intellectual, physical, or monetary), rather than on a net creation of value. From a social perspective, this is as wasteful as if, say, ten percent of theater visitors could buy the privilege to stand up during the performance. As theater visitors get richer,

they would bid up prices without making any difference to the overall outcome. The analogy between society and the theater audience only breaks down in terms of membership: you can simply choose not to go to the theater, but you do not have that choice with respect to society.<sup>20</sup>

(c) My third objection concerns the trust in the *justice* of the invisible hand. Even though economic liberalists sometimes concede that the invisible hand is not perfectly just, they contend that its deficits in terms of justice are unimportant enough to be outweighed by its efficiency benefits. This view, I believe, is grossly inadequate. Rather, the invisible hand is better described as being indifferent towards matters of justice - it may lead to largely just outcomes under favorable conditions, but it is not by itself just. The main reason for this is that it hands out the economic product to each according to his bargaining power, which is defined largely in terms of the relative scarcity of a person's skills. A talented athlete, *e.g.*, can accumulate sufficient money for the rest of his life before the age of twenty - provided his talent is relatively scarce (both in terms of supply of, and demand for, his talent). A construction worker, on the other hand, will in his whole life not earn the equivalent of a world-class soccer player's annual salary, even if he is the most diligent and skillful worker - simply because his skills are not scarce enough since there are (too many) others around who could replace him. The observation that this

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<sup>20</sup> Another limitation to this analogy consists in the flow of the money spent on positional goods. While in the theater example, the seller of the privilege - say, the municipality - would simply earn a pure rent so that the money is just transferred and not received as a compensation for work, the money spent on positional goods in real life is often lost in the sense that it is spent on real work that creates only individual, but no social value (as is typical in cases of "rent seeking"). Examples for this would be advertising; preparatory courses for university entry exams; the purchase of status symbols such as luxury watches etc.

effect tends to reward effort - an essential demand of distributive justice - and leads to efficiency-enhancing incentives for people to develop valued (*i.e.*, scarce) skills may justify a degree of distributive injustice, but it does not grant an all-out absolution from a concern for justice. Rather, markets with their efficiency-enhancing properties should be put in the service of a normative conception of good development and, consequently, find their limits where they lead to a degree of distributive injustice that can no longer be justified. In other words, justice should be a matter of moral criteria that determine the domain and the form of the market, not the other way round.

The criticism raised here against the economic-liberal view is in fact a criticism at a specific economic (Ulrich 1998b: 15) interpretation of liberalism which reduces the idea of freedom to “freedom *of choice*” in the sense of protecting people from intrusion into their individual choices (“negative freedom”). Another reading of the idea of freedom, by contrast, would be “freedom *to choose*”, namely to choose a dignified, fulfilling way of life (“positive freedom” or “real freedom”). In this interpretation, freedom may not only require protection from undue intrusion, but also the active empowerment of the disadvantaged to enable them to actually choose a dignified way of life, rather than condemning them to make do with whatever the economy happens to leave for them.

This republican-liberalist (Ulrich 1998b: 295) view differs in at least three important respects from the economic-liberal one:

- (i) First, it does not take for granted that people will always make choices that are in their best interest. Neither, however, does it seek to prescribe, or even enforce, specific choices or values (an ambition economic liberals are fond of imputing to any alternative to their own position). It merely includes the formation of preferences and choices into its field of interest by asking

for the conditions which enable people to actually make choices that are in their best interest.

- (ii) Second, and this is the specifically republican element of this conception of liberalism, it expects from all citizens to enjoy their freedoms as responsible members of a *res publica* (from Latin for “public affair”). In contrast to economic liberalism which seeks to isolate the individual from moral obligations and attempts to justify this by hinting to the efficiency of an ideal economic order, republican liberalism expects from each citizen a commitment to the *res publica*, *i.e.*, the willingness to subordinate one’s private interests to the condition of public legitimacy (Ulrich 1998b: 299). More concretely, a republican citizen would not, *e.g.*, recklessly take full advantage of her superior bargaining power *vis-à-vis* the economically disadvantaged - even where the conceivably best economic order legally entitles her to do so. Moreover, she would not regard this as a constraint to her freedom, but rather as naturally following from her identity as part of the *res publica*. She simply would not *want* to benefit unduly at the expense of others. In other words, each citizen is called upon to regard economic interaction not as a space free of morality but as part of the moral space that includes all human interaction, and to treat the other members of society not as opponents in a bargaining contest but as co-citizens of a shared *res publica* and as moral subjects which are to be respected in exercising one’s own freedom.
- (iii) Third, republican liberalism considers restrictions on individual choices to be justified when these restrictions are themselves the manifestation of free choices, *i.e.*, when they are democratically legitimized. For example, the wide-spread practice of mandatory pension saving schemes is obviously a restriction on people’s choices, but it is a restriction most people advocate in order to collectively control their spending behavior which they apparently feel would otherwise not be in their best

interest. Put differently, a populace can voluntarily choose to put in place restrictions on their choices without becoming an illiberal society for that reason.

The concept of republican liberalism does not imply any specific design of the economic order and of people's liberties. Rather, it conceives of freedom in a positive mode rather than merely as the absence of interference, and argues that people's choices need to be preceded by a fundamental reflection in two dimensions. In the individual dimension, the reflection should consist in a critical examination of one's preferences in the light of the full consequences of different development paths. There can be little doubt, *e.g.*, that parents' choices with respect to their children's education will be better after they have examined the "seduction by modernity"-hypothesis, no matter if that examination actually changes their choices. In the social dimension, the reflection should consist in a public moral discourse about the legal and institutional provisions that are most conducive to good development. A truly liberal society may prefer to impose some constraints on *freedom of choice* in order to give people *freedom to choose* and in order to avoid wasting resources on positional rat races, rather than, in blind trust in the benevolence of an invisible hand, deliver people to the vagaries of unfettered competition.

Of course, people can usually be assumed to already reflect on the wider implications of their choices without needing instruction to do so. However, important aspects of one's choices' consequences - especially when leading to an entirely novel way of life - may simply not be obvious and will therefore not be adequately taken into account. Furthermore, it would be naïve to assume an unlimited human capacity to cope with fundamental social change. Here, governments can play the role of stimulating the circulation of balanced, or (counter-)balancing, information; encouraging reflection on

specific issues; facilitating public discourse; and strengthening initiatives of civil society (Galay 2001).<sup>21</sup>

Coming back now to the four major goals of GNH: economic self-reliance, environmental preservation, cultural promotion, and good governance, the question arises how these rather specific goals relate to the concept of republican liberalism that has been proposed here as an ordering principle for the operationalization of the concept of GNH.

First of all, a crucial distinction should be made between the nature of concrete goals and ethical principles. While goals may be better or worse, more or less important, and may be achieved in good or bad ways, ethical principles are neither good or bad (because a bad ethical principle is no ethical principle at all), but rather right or wrong (*i.e.*, more or less well-argued). In other words, while goals are the *objects* of ethical judgments, ethical principles provide the *moral point of view* from which to make these judgments. Both are complementary, of course: While goals remain devoid of value unless they are evaluated by means of ethical principles, ethical principles have merely formal character until they are related to concrete goals (*cf.* the distinction between the teleological and the deontological perspectives above on p. 118). Thus, the four major goals of GNH may serve the purpose of emphasizing certain issues of particular importance, but they need to be complemented by (deontological) ethical principles that provide the criteria to judge, *e.g.*, to which degree economic self-reliance shall be pursued; at which cost to human well-being the environment should be preserved; or how far cultural promotion may go in constraining individual liberties.<sup>22</sup> For the task of operation-

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<sup>21</sup> I should reemphasize that I am making general remarks here without implying that deficits of this sort are present in Bhutan.

<sup>22</sup> The fourth goal, good governance, has an intermediate role between goals and ethical principles because the attribute “good” already implies a claim to having the quality of an ethical principle (after all, “good governance” is by definition good and therefore need not be evaluated). Including it in the list of major goals may



alizing the concept of GNH, this means that the ultimate point of reference from which to evaluate the operationalization of GNH is not the concept of GNH itself, but again an inclusive ideal concept of good development. Happiness may be the paramount objective in this conception of good development, but it must also always remain embedded in the latter.

Another way of focusing attention on specific aspects of good development is the selection of appropriate indicators, which shall be explored in the following sub-section.

### ***Measuring Happiness?***

The apparent allusion of the expression “Gross National Happiness” to the conventional concept of “Gross National Product” suggests that now “happiness” should be measured in Bhutan just as “product” is measured in most other countries. One would simply have to take the average of the population’s SWB scores in order to arrive at a “per capita GNH”-indicator that would replace the indicator of “per capita GNP”. Recent advances in the methodology of happiness measurement, one might argue, would warrant a sufficient degree of precision and validity. A substantial minority of Kuensel online readers seem to agree: in a recent poll (December 2003), 36 percent (n=439) answered in the affirmative when asked whether “GNH, a developmental philosophy, [can] be economically quantified.”<sup>23</sup>

A likely candidate for the quantification of happiness is of course the concept of subjective well-being (p. 101) since it rests on a firm empirical methodology. Yet, while SWB would certainly be a better indicator than GNP because it is about an intrinsically and not only instrumentally valuable objective, any single-index “super indicator” of social well-

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nevertheless be justified in order to emphasize the importance of this particular ethical principle.

<sup>23</sup><http://www.kuenselonline.com/pollBooth.php?op=results&pollID=63&mode=&order=&thold=>

being, no matter if GNP, SWB, HDI (p. 115), or yet another concept, will be reductionist in that it reduces a multi-dimensional and indeterminate judgment to a single, ostensibly objective figure. More often than not, once an indicator has come to be recognized as the highest-order indicator of good development, it soon is *identified* with good development itself and its maximization elevated to the ultimate objective. Such a view quickly transforms a perhaps sensible rule of thumb (“raising indicator *X* tends to be good”) into an unquestioned doctrine (“good development consists in raising *X*”). The indicator in question then becomes the *substitute* of conscientious deliberation, rather than its *content*. In the case of GNH, a particular risk consists in the possibility that the concept of GNH one day comes to be appropriated by a hedonist (i.e. solipsist; *cf.* p. 104) and utilitarian understanding of happiness, in which case the original spiritual and moral dimension of GNH would be lost.

In operationalizing GNH one should therefore perhaps refrain from formulating a single-index indicator and instead rely on a variety of separate indicators that capture various aspects of people’s daily lives that are much more relevant to good development, and in particular to happiness, than is GNP. Examples for such indicators would be malnutrition, health, mental depression, suicide, youth delinquency, alcoholism, drug abuse, and divorce rates, just to name a few. Such a heterogeneous (*i.e.*, not aggregated) set of social indicators would underscore the view that even the most meaningful indicators provide just inconclusive pieces of information which need to be evaluated along moral criteria and cannot replace moral deliberation. This is all the more evident in the context of sustainability and global justice. A steep rise of happiness indicators, for example, will have to be assessed very carefully when it is based on unsustainable trends or on the exploitation of other countries. In short, to make sense of social indicators, they always need to be embedded into a wider moral discourse.

The deliberate selection, and propagation, of social indicators seems to be more than an academic ivory tower-exercise. Casual observation suggests that those indicators that dominate newspaper headlines, TV news, and education curricula have a tremendous impact on both political and private priorities. If European newspaper headlines were dominated by indicators of subjective well-being, child poverty, and divorce rates, instead of by GNP and Dow Jones trends, the political agenda and presumably even private priorities might be a bit more concerned with qualitative rather than with quantitative development. By analogy, if the concept of GNH is properly specified and continues to be the guiding principle - but not the doctrine - of Bhutan's development vision, it can play an invaluable role in positioning the right indicators into newspaper headlines and thereby directing public discourse and private concerns towards those aspects of life that are constitutive elements of good development.

There is nevertheless a strategic case for the formulation and publication of a single-index indicator since it is so much more convenient to communicate, especially across mass media, and so much more effective in catching people's attention. Realistically reckoning with the role of mass media and politicians' perceived need for simple messages, one must therefore assume that highest-order indicators of good development will always remain in circulation. The question then becomes not what would be the perfect indicator, because that would mean the rejection of any candidate, but which indicator would be less inappropriate than the incumbent top-indicator in most minds, which currently is GNP. To topple GNP and replace it with a more humane indicator, therefore, one needs to look for "a measure ... of the same level of vulgarity as GNP - just one number - but a measure that is not as blind to social aspects of human lives as GNP is," as the spiritual father of the HDI, the former UNDP director Mahbub ul Haq, demanded (Sen 1999: 23). If one rejects a crude single-index measure of happiness because it is not perfect, one may end up with an even worse

indicator. The challenge is to catch attention with a single-index indicator and at the same time highlight its deficiencies so as to stimulate a moral discourse on the content of happiness within a comprehensive concept of good development.

### **Conclusion**

Happiness seems to provide an especially promising perspective to approach the challenge of development facing Bhutan. By adopting Gross National Happiness as its overarching development concept, Bhutan speaks out loud in favor of a people-centered perspective on development.

In this paper I have made a number of diverse points, and I shall conclude by synthesizing them into five statements.

- (i) *Happiness is inseparable from the reasons for happiness.*  
In contrast to the means/end metaphor where happiness is the only end of intrinsic value and all other objectives have merely instrumental value, happiness should be seen as a symptom indicating that a person has reason to be happy. In this perspective, the person cares not only about his positive mental experience but also about the reasons themselves which are of intrinsic value.
  
- (ii) *Happiness is something people make happen.*  
If we recognize that people have a free will, it follows that happiness is only to some extent dependent on objective life circumstances. Ultimately, people can be happy or unhappy in a large variety of settings. A person can be happy with her material possessions either because she has much or because she desires little. Thus, to attain happiness, it would be foolish for a society to focus exclusively on life circumstances and neglect the inner foundation for happiness. Bhutan's Buddhist heritage

might be a particularly strong source for instilling, or preserving, a foundation of this kind.<sup>24</sup>

(iii) *Gross National Happiness is a substantiation of the ideal concept of good development.*

An approval of GNH is always made by implicit or explicit reference to the regulative idea of good development. Being a formal concept, good development needs to be substantiated by more specific concepts if it shall guide decisions, and happiness may be an especially appropriate candidate to serve as such a concept.

(iv) *Good development is more than Gross National Happiness.*

As a teleological concept, happiness does not entirely fill out the formal concept of good development. In particular, it fails to address the dimension of legitimacy, *i.e.*, it does not provide any criteria of how to deal with conflicts of interest. It therefore has to be complemented by deontological ethical principles

(v) *Good development consists in giving people freedom to choose rather than freedom of choice.*

Economic liberalism propagates the maxim that good development consists in protecting people's freedom of choice. They fail to see, however, that people's free choices may be more or less informed and better or worse reflected. Furthermore, a society may decide to restrict people's *freedom of choice* in order to enhance people's *freedom to choose*, without therefore becoming an illiberal society. In this view, the economy should not be left to take care of itself, but rather be embedded into society.

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<sup>24</sup> This does not mean that only Buddhists recognize the importance of inner attitudes. It was the classic utilitarian John Stuart Mill who said, "I regard any considerable increase of human happiness, through mere changes in outward circumstances, unaccompanied by changes in the state of desires, as hopeless; ..." (Mill 1969/1833: 15).

Its efficiency potential should become the servant of development rather than its purpose.

Gross National Happiness makes a valuable first step towards operationalizing the notion of good development by selecting as the prime goal of development human well-being rather than material opulence. It is exactly in this role that the concept of GNH is particularly well positioned to be put in the service of good development.

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