The Gross National Happiness Tourism Model

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Abstract

Most economies rely on a national accounting system called Gross Domestic Product (GDP) that measures the quantity of output of goods and services to reflect economic development. Arguably however, GDP does not present a complete picture of a nation’s development as it does not account for factors such as the depletion of natural resources nor truly reflect the ‘well-being’ of citizens. The United Nations has recently adopted the notion of ‘happiness’ as a development indicator in its 9th Millennium Goal, inspired by Bhutan’s policy of Gross National Happiness (GNH), as an alternate form of development measure. This paper outlines the concept of GNH, the emergence of ‘happiness’ as a development indicator and the research that is being undertaken on the GNH tourism model in Bhutan.

Key words: Gross National Happiness, Bhutan, Tourism

Introduction

The dominant way of measuring national development is to use Gross Domestic Product (GDP) (sometimes referred to as Gross National Product). GDP measures the quantity of output of goods and services, defining a nation’s national income and hence its development (Barro, 1997). This system of national accounting is the only comparative economic measurement instrument between countries since the end of World War II (Stiglitz, 1997).

However, there are suggestions that GDP is limited (European Union., 2010; Hamilton & Denniss, 2000; Hamilton & Saddler, 1997; Stewart, 2005). For example, the originator of GDP Simon Kuznets (1901-1985) states that, “the welfare of a nation can scarcely be inferred from a measurement of national income as defined by GDP” (cited in Hamilton & Denniss, 2000,p.ix). In short, the measure of the output of goods and services alone does not provide an indication of the distribution of income. GDP fails to measure the quality of life, as it excludes vital non-monetary
services such as family care and voluntary community work, which forms the ‘core economy’ of society (Simms, Johnson, & Chowla, 2010).

There have been calls for alternative forms of development measurement such as the Genuine Progress Indicator (Daly, Cobb, & Cobb, 1989), the Human Development Index (Haq, Kirdar, & Society for International Development. North-South Roundtable., 1988), and Happy Planet Index (Simms, et al., 2010). These alternative models broadly define development that incorporates the changes and impacts of the natural environment and socio-cultural conditions. In particular, they account for the depletion of natural resources and the wellbeing of citizens that is not addressed in the GDP model. This paper briefly outlines ‘happiness’ as a development indicator through the concept of Gross National Happiness (GNH) and the research undertaken concerning the GNH tourism model in Bhutan.

**Happiness as a development indicator**

Recently, the United Nations (UN) wants to adopt ‘happiness’ as a ‘development indicator’ as its 9th Millennium Goal (Plett, 2011). But it is difficult to determine what ‘happiness’ means in this context. For example, it may be illusive to think that ‘happiness’ can be a ‘development indicator’, when development is defined as, “the gradual growth of something so that it becomes more advanced or stronger” (Hornsby, 2005,p.418). However, Veenhoven (2000) defines happiness as, “the degree to which someone evaluates positively the overall quality of his or her present life as a whole” (p.267). Veenhoven further suggests that economic freedom leads to happiness (p.282). Using ‘happiness’ to advance a nation’s development model therefore requires a robust debate.

This research contributes to the debate by explaining and critiquing Bhutan’s GNH model, which incorporates ‘happiness’ and ‘wellbeing’ into its development processes. This contribution is achieved through a case study of tourism in Bhutan that is directly shaped by GNH.

**Gross National Happiness (GNH)**

Gross National Happiness measures growth in terms of its collective human ‘well-being’ (Thinley, 1998). In particular, Bhutan utilizes the ‘happiness’ of its citizens as an indicator that reflects true growth and development. This concept is based on four pillars: conservation of natural resources, preservation and promotion of culture, good governance and equitable and sustainable socio-economic development. The key concern of this development philosophy is its achieved human ‘happiness’ outcome ahead of its economic production (Dakson, 2007).

GNH in Bhutan can be examined and evaluated through individual policies. One example is tourism. In tourism terms, the GNH philosophy adopts a 'high value, low impact' model (Tourism Council of Bhutan, 2010). This model features minimum tourist spending requirements (USD200 per person per night), with restrictions on the type and number of international tourists permitted into the country, as well as restrictions on visits to specific sites and hiking trails. The two key objectives in this model are firstly to contain foreign acculturation (Reinfeld, 2003), and secondly,
to protect and sustain its ecologically rich natural environment (Gurung & Scholz, 2008; Gurung & Seeland, 2008).

Through GNH, Bhutan aims to achieve an equitable society. This includes spreading the wealth from tourism to its people through a form of ‘Tourism Royalty fee’; 30% of all tourism revenue is paid to the government (Tourism Council of Bhutan, 2010). The ‘Tourism Royalty fee’ of US$11.4 million directly contributes toward health and education development. As a result, Bhutanese have access to free health and education as direct benefits from tourism. Tourism earnings in 2010 amounted to US$35.98 million, an increase of 12.8%, and is the largest source of hard currency (Tourism Council of Bhutan, 2011).

The research

This research project aims to further the discourse on GNH as an additional (Bhutan still uses GDP) development model. In theory, GNH addresses the problems of environmental degradation, socio-cultural integrity, good governance and a more balanced socio-economic distribution of wealth to achieve optimal ‘well being’ and thus ‘happiness’. In practice however, disparities do occur (McDonald, 2010). Furthermore, as ‘happiness’ is subjective (Veenhoven, 1997, 2000), achieving GNH has its challenges, since each individual’s happiness is different (Torras, 2008). Collective ‘happiness’ however, can create conditions for the benefit of the ‘common good’ (Etzioni, 2004).

To further understand GNH, this study is framed by Durkheim’s (1984) concept of ‘organic solidarity’, which is the process of communal interdependence for the greater good. Within this frame, collective ‘happiness’ can be understood as a shared-outcome, through a sense of ‘organic solidarity’ that benefits the ‘common good’ (Etzioni, 2004).

The research aims are underpinned by three questions. Firstly, how successful is this ‘high value, low impact’ model? Secondly, how does Durkheim’s organic solidarity contribute towards a holistic approach to communal decision-making? Finally, how is GNH embedded in the notion of the common good? The first outcome is to indicate how effective GNH is when applied in tourism policy planning undertaken for the interest of the ‘common good’; second to identify best practices through the role of organic solidarity in communal decision-making, and thirdly to advance the notion of GNH as a more equitable form of development measure.

Research method

The research methods include a survey questionnaire of international visitors, a focus group interview with inbound tour operators and open-ended interviews with tourism policy makers. Some questions posed in this study focus on: visitors’ perspectives on the evidence of GNH, whether GNH as a measurement of a nation’s development is an important addition to GDP (which Bhutan also uses), and whether ‘happiness’ is important for the ‘well-being’ of a nation. Data analysis will apply triangulation of both quantitative and qualitative data collected (Patton, 2002). By understanding how GNH philosophy influences tourism policy in pursuit of the ‘common good’, the outcomes of this research can highlight transferable features of this tourism model.
Conclusion

Gross Domestic Product (GDP) as a national accounting system measuring a nation’s economic outputs of goods and services, ignores the human element such as the ‘well-being’ of its people. This paper outlines Bhutan’s alternative Gross National Happiness (GNH) model of development, which incorporates ‘happiness’ to measure the ‘well-being’ of its citizens. This study aims to show how Bhutan’s GNH development policy is manifested in tourism, through its ‘high value, low impact’ model. Through evidence that collective ‘happiness’ can function through ‘organic solidarity’ for the ‘common good’, this research hopes to provide insights into how the GNH tourism model can provide benefits to the local population. In doing so, this study seeks to facilitate a much broader tourism development discourse that incorporates ‘happiness’ and ‘well-being’.

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Reference


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