

STUDY FOR LIVING STANDARD IMPROVEMENT ON GNH PHILOSOPHY

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ABSTRACT

Morality and the independence of the individual by education, in addition to sufficiency of physical standard of livings such as GPI and BNH, are needed to improve the standard of living. And, synergy effect can be expected when GRI and BNH are satisfied at the same time.

The fulfill of GPI and BNH bring a synergetic effected is thought that it is not to be enough in a simple sufficiency, and needs a philosophy like GNH, the idea based on the prescriptive social norm, and the philosophy for the sufficiency of the standard of living. Only the individual to the standard of living is individual satisfaction is strongly related to this philosophy.

The idea of GNH offers a vision that supposes to be a standard to satisfy, and individual aspect in a society as well as indispensable to help individual autonomy.

INTRODUCTION

“GNH (Gross National Happiness)” is a philosophy for building the nation by pursuing happiness. This concept could be applied in other countries by making some adjustments to meet local requirements. The basis of GNH is process to have a methodology. Knowledge process greatly changes into the event and the situation by the methodology to obtain.

This paper to obtain to discuss, how people get their satisfaction in respect of living standard and what is necessary to improve the standard of living of prescribing, based on the GNH concept.

First of all, in the course of consideration of each GNH indicator, it is helpful to understand the essence of GNH to change the view of from “what” to “why”. This depends on individual, that is, GNH itself is able to be pursued based on each individual’s thought.

Incidentally, “thought” fundamentally denies existing economical theories. For example, some economists criticize as GNH accepts poverty. This criticism is based on the precondition that poor people are not happy. This precondition denies, economic theory itself, as it cannot be concluded that all poor people are not happy. Whether people are happy or not depends on their own action of the mind. This is because some economists do not accept GNH and its fundamental theory. However, GNH should be focused on the process theory by some economist.

First of all, how to advance the main discourse defines the standard of living in GNH. And, this paper clarifies the diversity of an existing standard of living indicator and GNH. Then, paper will try to explain what is necessary for people to be satisfied with the standard of living. In conclusion, Paper will explain what kind of factor is necessary to the improvement of the standard of living of prescribing it with GNH.

MEANING OF LIVING STANDARD

The definition of “Standard of living”

The definition of standard of living in basic economics is prescribed as the amount of household's consumption. Professor Krugman describes three elements.

Productivity, income allocation, and unemployment, these elements are related to the individual immediately, therefore, to aim at improvements, the following must be taken into account;

1. Higher productivity enables each worker to produce goods and services.
2. The proportion of the person who works within the overall population is raised.
3. Goods and services to consume are distributed as well as production manufacturing capacities. [1]

However, his theory of manufacturing will adjust when it groped for the intake of the calorie a person and the improvement of longevity. However, common-sense person points there is a limit for production that originates in the resources. It is connected directly with the item of the wage level and public assistance in Japan. There are generally a lot of people who imagine BHN (Basic Human Needs), too, when standard of living is discussed.

The standard of living that BHN prescribes is concretely a level of daily life besides food and clothing. It is thought that the next stage is the basis life related society with profession, medical treatment, safety, the education. These can be filled if sufficiency of food, clothing, and housing is basic, and the sufficiency is filled.

Prof. Amalthea Sen presents an understanding of standard of living in the book "The Standard of Living" from the concept "Function" and "Latent ability ". Have you been made based on the concept (this Sen's "Function" and "Latent ability"), is HDI (Human Development Index). [2]

HDI comes from the fact that the development level of the country was not able to be measured only by the Gross National Product level. HDI is tempering with the index of health, life exponent, knowledge and the education. [26] Nowadays, HDI is mainstream as the standard of living for international authority including the United Nations Development Program. GNH and HDI are thought as a similar concept by assuming, but GNH and the Gross National Product to be an opposite concept in Bhutan.

Michael Reddocrift pointed out that there is a threshold, with the following Gross National Products as the indicator of development. [3]

1. GNP measures "Productive" activity by a very narrow method. Neither labor nor the product for domestic labor and the home use that has not been institutionalized in a word are reflected in the figure.
2. Economic development is measured disregarding a population academic viewpoint. For instance, tier distribution of the number of dependent family members, child's presence, and the age classification, etc. is not considered.
3. GNP doesn't distinguish labor's content. In the labor's classification, there is no distinction probably because of a military purpose or the health care etc.
4. GNP is not considered for the concentration ratio of geographical features and social wealth (fair distribution of wealth).
5. GNP doesn't have the distinction between continued resource utilization and the business life that cannot be continued. Even if it cost economic growth like environmental pollution control expense etc., can be added to the GNP.

GNP depended on macroeconomic indicators. Then GPI (Genuine Progress Indicator) was developed of ISEW in upgrade as a new economic indicator Based on the reflection on GNP. [4]. GPI, by contrast, takes into account the enhancement of nature's ability to provide services and generate water, air, soil and produce. These things are part of a more inclusive ideal of progress, and are more easily perceived and believed by most people, than are raw industrial production metrics.

As for this index, the Gini coefficient in which the fairness of the income allocation is attempted is tempered with. Additionally, the multitude to the problem of the GNP that Michael Reddocrift pointed out is solved.

However, there is a problem that GPI is a just economic indicator, and pursuit for the tenability is not seen, too. Moreover, LSMS (Living Standards Measurement Study) Household surveys were done by the World Bank. [5] This survey analyzes this basic, economical aspect. But LSMS is an idea to disregard the individual who is a beneficiary.

What is the standard of living in GNH?

GNH is a base of four pillar discourse. These four pillars are

1. Economic growth and development,
2. Environment protection and sustainable development,
3. Preservation and Promotion of cultural heritage,
4. Good governance.

So, Bhutan tried to install these four pillars at the center of the policy, and improve people' happiness degrees. It is not easy to explain that people' happiness degrees rise by logically improving these four indicators. However, the clarification adheres if it is paraphrased that the effort to improve people' happiness degrees by at least using these four indicators.

Then, what is the standard of living that GNH of Bhutan requests? The fifth generation Bhutanese throne does the following remarks as an idea of GNH.

“I believe that GNH today is the bridge between the fundamental values of kindness, equality and humanity, and the necessary pursuit of economic growth” [6]

Basic idea of GNH doesn't deny the improvement of the standard of living in existing economics. However, GNH explains, human development is also important. GNH construct people' feeling of well-beings by taking Valence in four development policies pillars. This is a concept that shows not the category to which analysis can be done by mere economics but man all aspects of life.

Therefore, discussion is Quality of Life of saying as, standard of living in the main discourse. Quality of life is an important concern not only in economics. It is measured by many social and economic factors. Some index for QOL is the amount of money and access to goods and services that a person has; these numbers are fairly easily measured. Others like freedom, happiness, art, environmental health, and innovation are far harder to measure.

Quality of Life is a general aspect of developed countries to the last, and has a lot of people with whom even the minimum level of the life for still alive is not filled all over the world. At first, Bhutan thinks about the sufficiency of BHN. Then, human education is going on with policy of sufficiency and Buddhism.

The fifth generation throne is described that the following elements are indispensable for the economic development of Bhutan.

- A strong education system
- An effective and strong bureaucracy
- A strong private sector
- Uncompromised respect for law
- Strong infrastructure
- Good leadership at all level
- The spirit of Innovation, creativity and Enterprise
- A Culture of hard work, Dynamism and Excellence in whatever we do. [6]

In this remark, with respect to the culture and the significance of the instructional system in addition to a necessary element for a lot of economic developments are described to the king. It is not only by a mere economic development in Bhutan, but also it was described that GNH and HDI were thought as a similar concept by assuming GNH and the Gross National Product to be a concept to conflict ahead though it returned to the theory in Bhutan.

However, HDI is an idea to measure the yield by expanding human's ability. But it is not clear what for this human's ability to show. This respect and GNH think about this human's ability development as development of the mind. Therefore, the standard of living can be called an element greatly controlled in the state of the society to which the individual belongs by seeing from the angle of Quality of Life.

It can be said that achievement is easiness in the improvement of living standard when thinking from the aspect of economics. However, there is suspicion of satisfying the standard of living with a simple sufficiency, too. Because the satisfaction of the individual changes by the state of the mind including how to catch things. Then, satisfactory of human and dealings with the sufficiency are considered here as follows.

STRUCTURE OF SUFFICIENCY AND SATISFACTION

Relationship between sufficiency and satisfaction

K. Galbraith, an author of “The Affluent Society”, said “a person’s consumption causes his neighbor’s desire [7]. In other words, process to satisfy a person’s desire is also the process to produce others’ desire. The more desire is satisfied, the more desire is generated.”

In this regard, the process to satisfy desire is significantly affected by the process to generate desire, which is called “dependent effect”. Consequently, just by repeating the process to satisfy desire, people never gain improves, i.e. satisfaction.

APPENDIX 1; Equation of happiness/satisfaction

$$\text{Happiness/ satisfaction} = \frac{\text{Goods}}{\text{Desire}} \quad [8]$$

GNH makes tenets of Buddhism a radical. Tenets of Buddhism define that it is bad the possession of the desire. Therefore, the Buddhist controls the possession of the desire by training and meditation. Individual's high morality is needed for restraining the desire. In Bhutan, People's moralities are

composed by, the social climate, natural environment of the society, education and prescriptive social norm.

Shinichi Inoue provided the explanation to the above formula, “Western-style people try to increase the numerator to be satisfy, while Oriental -style or Buddhist people try to decrease the denominator [8]. Based on the above formula, increase of goods never levels happiness/satisfaction up, if desire also increases by “dependent effect” defined by Galbraith [7].

Assumedly, the ultimate goal (improve satisfaction) requires the concept or value where increase of desire is not the top priority. Such concept or value would be created externally with internal affects. The definition of living standard used in GNH is different from general one, since GNH is based on the theory that satisfaction of living standard does not always raise happiness level.

The purpose of the reason is to demand not only the material satisfaction but also the mental action. The reason for the sufficiency of the standard of living is not directly connected to the amount of the satisfaction increasing.

Analysis of sufficiency (Use Maslow's Hierarchy of Needs)

Person's mind has the hierarchy. And, the mind has been influenced by a lot of social, external influences. The mind has been gradually influenced in a word with an external thing.

Both positive and negative factors related to human life are determined by each individual, since they are significantly affected by position which people hold and society which people belong to. Thus, factors to determine living standards are considerably diverse. People determine whether or not their living standard is satisfactory based on satisfaction of their needs. Such needs and their satisfactory level would be hierarchized [9].

A. H. Maslow, an American psychologist, postulated that a lot of human needs are arranged in a hierarchy with five levels in terms of their potency. When the needs in the lower level are fulfilled, they motive further.

Maslow’s hierarchy of needs consists of, from the bottom, “deficiency needs”, “safety needs”, “love/belonging/social needs”, “esteem needs” and “growth needs”. He concluded that satisfaction of individual’s needs is also subject to this hierarchy [9].

APPENDIX 2; Maslow's Hierarchy of Needs •••Pyramid consisting of five levels [9]

LEVELS	NEEDS	
1	Deficiency needs	Eating, Drinking, Sleeping, Sex
2	Safety needs	Personal security from crime, Security as against company lay-offs
3	Love/Belonging/Social needs	Friendship, Sexual intimacy, Having a supportive and communicative family
4	Esteem needs	Cognitive needs, Aesthetic needs
5	Growth needs	Self-actualization, Self-transcendence

(1.Lowest Level, —————> 5.Highest Level)

Jean Piaget described in his work “L’Epistemologie Genetique”, “cognition is an interaction formed between subject and object.Such interaction occurs between two things which do not separate material shape but are undifferentiated” [10].

Cognition process never happens by either of subjective or objective factor, but with affects by both of them. It is more difficult to quantify what is subjective which contains less objective factors than what is objective.

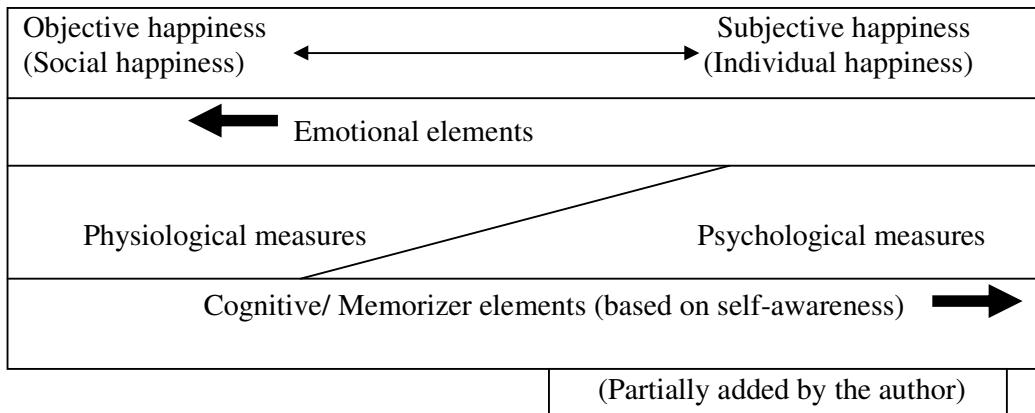
Applying the above to Maslow’s hierarchy of needs, the first and second levels can be easily quantified and measured due to their objective factors, that is, they can be standardized due to least subjective factors.

Therefore, the criteria of living standard would be comprehensively divided into two levels. When the first level (the first and second levels in Maslow’s hierarchy) “satisfaction of goods” is fulfilled, the environment where people can feel happy will be secured. The factors which contribute to human happiness in this level can be easily quantified.

What does the above-mentioned argument mean when philosophy of GNH. Four pillars of GNH are indicators for Bhutanese people to offer the environment where the satisfaction is felt. These four pillars are not things at all to construct people's satisfactions immediately. It is individual's problem how to understand how to use the given environment. This point is a big difference with existing economical index.

Bruno S. Frey presented the following model of basic concept of happiness in his work “Happiness and Economics: How the economy and institutions affect human well-being”. [11]

APPENDIX 3; Basic concept of happiness



How the achievement of happiness can be measured? To answer this question, it would be important to divide into such two elements as shown above; subjective happiness and objective happiness. The question to measure happiness in the preceding paragraph is whether it is subjective or objective. However, this question contains many paradoxes. This is because happiness itself is an “ambiguous” concept.

Happiness is not clearly defined, but depends on different psychological condition of an individual who enjoys it. Therefore, measurement of happiness should be made based on the diverse factors related to both private and public area.

Such diversification of happiness leads to production of self-concept. People cannot preclude all affects by others or society they belong to in the course of production of self-concept. People may presume that self-awareness has been internally generated; however, in general, it has been significantly affected by various external factors. Most of private-area factors consist of public or external-area ones. The public-area factors include social instability, war, political freedom, citizenship and social inequality. [11. 46p]

In this view, I consider ideal living standard goal in this report based on the concept that fundamental measurement of happiness is required to divide into the two elements and to measure their achievement respectively.

Attempt at quantification

As mentioned in the preceding paragraph, the more objective factors are contained, the easier is quantification. That is, when satisfaction of goods represented by BHN is fulfilled, the environment where people can feel happy will be secured.

The first level “deficiency needs” in Maslow’s hierarchy refers to fundamentals for human life such as basic satisfaction of food, clothing and shelter. The second level “safety needs” can be considerably improved through development of social system such as employment, health care, safety and education.

It is easier to quantify the factors which government or society can provide for individual happiness. These factors generally have the universal standard, and comparison of each factor with other countries can be done by quantifying it.

Such comparison may provide people with the background to think about happiness. Further levels than these two levels should be approached by political measures, not administrative ones. The problem is that the factors in the third level or more cannot be easily quantified, since they attributes to self-concept of each individual. For example, when an act improves the happiness level of an individual, the same effect may not be obtained for others.

Qualification itself has significant impact. However, such impact would be negative beyond a certain level, which should be the third level of Maslow’s hierarchy. Satisfaction of the third level or more is significantly affected by individual’s mind-set as well as culture and tradition in society the individual belongs to. Thus, to meet satisfaction of these levels, it is important to keep high-level mind-set by traditional norms which are common among society as a larger unit.

To keep high-level mind-set would not only lead to satisfaction of the third levels or more but also affect on satisfaction of the second level or lower. People having high-level mind-set may find significance even in non-satisfied life and acquire satisfaction, instead of just seeking satisfaction.

CONCLUSION

What is necessary to improve the standard of living?

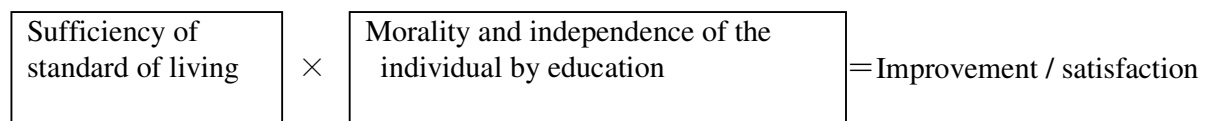
In conclusion, Indicator related to most of the existing standard of living measurements stress the economy aspect, and lacks any measurement of whether human satisfied with life.

There are examples of getting away from a macro-economic measurement such as the Gross National Product and the Gross Domestic Product with HDI and GPI. However, a big difference with standard of living (QOL) that means and GNH is weighted to occupy by the development between benefactors.

Feeling of well-being is composed of things that originate in private areas as well as public areas. Therefore, there is a limit in the standard of living to be able to obtain the feeling of well-being by simple sufficiency.

Therefore, higher personal mentalities and individual spirit are necessary for the sufficiency in the stage on that, and thinks that the existence of the tradition standard that the society has together is indispensable in Bhutan. And, traditional standard is succeeded by social system maintenance like sustainable development, a safeguard of the natural environment, good governance, fair social participation, etc. in the local community.

Based on the above clarification, I proposes figure concerning the improvement of the standard of living as follows.



Morality and the independence of the individual by education, in addition to sufficiency of physical standard of livings such as GPI and BNH, are needed to improve the standard of living. And, synergy effect can be expected when GRI and BNH are satisfied at the same time.

Four pillars advocated with GNH are things to maintain the environment that brings up the person. These pillars have both the factor to grow person's mind as independent citizens. And, the satisfying of the standard of living might be improved as a consequence.

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