The Economic Value of Voluntary Work in Bhutan

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Bhutan will be the first country in the world to create ***GNH Accounts*** *that properly value our precious natural, social, cultural, and human resources, and the costs of their depreciation, along with the manufactured and financial resources that are presently counted. Such full-cost accounts are the necessary foundation of a genuine wellbeing and sustainability-based economic system and will assess the true benefits and costs of economic activity.*

- Lyonchhen Jigmi Y. Thinley
The Honourable Prime Minister,
Royal Government of Bhutan

PREFACE

In this day and age, economic valuation is an essential strategy and tool to draw policy attention to vital natural and social assets that remain hidden in the conventional accounts, and thus to re-direct policy attention to their protection and restoration.

Bhutan is poised to become the first nation in the world to adopt a full-cost accounting system as the basis for its new National Accounts. This will enable Bhutan to formulate policies, allocate resources, and present budgets that properly account for the value of natural, human, social and cultural wealth, in addition to that of the manufactured and financial capital captured in conventional accounting mechanisms.

Natural capital includes natural resources like forests, water sources, and soils, and the ecological services they provide. For example, forests provide vital life support services in regulating the climate, sequestering carbon from the atmosphere, protecting watersheds, preventing soil erosion, providing habitat for many species, and more. Human capital includes the health and education of the populace; cultural capital includes the knowledge and practice of the country's arts, languages, culture, and wisdom traditions; and social capital assesses the strength of social networks, the safety, security, and vitality of communities, activities involved with community engagement, and civic participation.

During a recent GNH Accounts workshop, held in Thimphu and attended by over 70 Bhutanese policy makers and professionals, the participants unanimously agreed that natural, social, cultural, and human capital assets and their contributions to sustainable human wellbeing should be fully integrated into the new National Accounts.[1] Also, during the same workshop, the National Statistics Bureau (NSB) director clarified that the proposed new GNH

Accounts will *not* be a set of satellite accounts "on the side" of the existing conventional accounting system, but will become *the* new System of National Accounts for the Kingdom of Bhutan.

This report, written especially for Bhutanese civil service professionals and policy makers, is a first step in attempting to explain a few of the purposes, principles, and methods of the social capital accounts to be included in the new National Accounts — the "why", "what", and "how" of the new social capital accounts, as exemplified in this case by the economic valuation of voluntary work in Bhutan. As social capital has value, these valuations will enable policy makers to evaluate and understand the function, state, value, and contribution of social capital to the nation and to encourage the maintenance and enhancement of its value.

As an example of social capital values to be included in the new National Accounts, in this report we provide a preliminary estimate of the value of voluntary work in Bhutan, using the basic data available from the Time Use and Community Vitality sections of the 2010 Centre for Bhutan Studies GNH Survey and a very simple replacement cost valuation methodology. This provides an initial, albeit very limited, assessment of the value of voluntary work, which can be expanded in the future when more data become available.

Measuring the economic value of voluntary work demonstrates one of the purposes of Bhutan's new National Accounts, which is to provide a more comprehensive set of measures that can accurately identify our assets and strengths so that we can build on them and protect them rather than take them for granted, and that can identify our liabilities and weaknesses so that we can work to overcome them as soon as we detect early warning signals.

Thus, the new National Accounts, using the best available data and measurement methodologies, are intended to provide policy makers with practical and realistic tools on which to base GNH policies, to achieve genuinely sustainable prosperity, and to protect the nation's true wealth. This new accounting system will naturally support policies that shift behaviours towards sustainability and that build a GNH society that nurtures the happiness and wellbeing of individuals, families, communities, and the natural world. As such, the new accounts are in line with the stated goal of Bhutanese leaders to bring GNH principles, values, and practices fully into the fabric of Bhutanese society.

Conventional balance sheets and GDP (Gross Domestic Product)-based accounts give no value either to nature or to social assets such as voluntary work that are essential preconditions for human happiness and for the wellbeing of other life forms, and they therefore fail to account for a nation's true wealth. In fact, when forests are cut down and other natural resources are depleted and degraded, GDP goes up and the economy "grows" even as we destroy the natural capital on which our children will depend for their lives and livelihood. That's because GDP and our standard economic growth statistics only count the resources we *extract* from natural capital assets and sell in the market, and they fail to count what we leave behind.

Similarly, in the wake of an earthquake or other environmental disaster, the work of the many volunteers who help the rescue and recovery efforts is counted as zero in conventional accounts, since no money is exchanged. However, if those same rescue workers were paid, those payments would not only cost government money, but they would also make GDP grow. . Based on GDP and related economic growth statistics, policy makers worldwide daily make decisions that are disastrous for nature and wellbeing because they are getting the wrong signals from their

accounts and progress measures. That is not a GNH approach.

Bhutan's pioneering and holistic GNH-based National Accounts, which properly value our precious natural, social, cultural, economic, and human resources, will further provide the foundation of a new wellbeing and sustainability-based economic system. In an era when the degradation and destruction of nature threaten human life on earth, the United Nations, the World Bank, the OECD, the Stiglitz Commission[2] appointed by French President Sarkozy, and many other agencies have all recommended valuations of natural and social capital, but no country has yet revised its National Accounts to put that recommendation fully into practice. All of them still rely on narrow and out-dated GDP measures to assess prosperity and progress.

So Bhutan's ground-breaking new National Accounts, to be developed in the next five years, matter not only to this country but will be closely watched globally. And the information that the new National Accounts provide will give far more accurate information to policy makers,and will thereby help them make wise decisions that properly account for and protect Bhutan's rich natural, cultural, social, and human wealth.

In essence, this report attempts to answer two basic, but very important, questions for Bhutanese policy makers and civil servants about social capital: Why is measuring social capital and specifically valuing voluntary work important, and how should this voluntary work be valued? Once agencies and policy makers understand the basic premise and methodology, then the next steps, such as choosing measurement priorities, assessing data needs, and using the new evidence to craft wise policy, will follow naturally.

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Needless to say, errors or misinterpretations and all viewpoints expressed are the sole responsibility of the authors.

EXECUTIVE SUMMARY

Volunteerism is not a panacea to the problems of the world today. It is, however, an essential component of any strategy that recognizes that progress cannot be measured solely in terms of economic return and that individuals are not motivated by self-interest alone but also by their deeply held values and beliefs.

Flavia Pansieri,[3]
Executive Coordinator,
United Nations Volunteers
2011

Bhutan will soon become the first nation in the world to adopt a full-cost accounting system as the basis for its new National Accounts. This will enable Bhutan to formulate policies, allocate resources, and present budgets that properly account for the value of natural, human, social and cultural wealth, in addition to that of the manufactured and financial capital captured in conventional accounting mechanisms.

This report, written especially for Bhutanese civil service professionals and policy makers, is a first step in attempting to explain a few of the purposes, principles, and methods of the social capital accounts to be included in the new National Accounts. In particular, social capital, which depends upon the cooperation between people, refers to the web of interpersonal connections that create social cohesion, as well as to the institutional arrangements, rules, and norms that facilitate human interactions.[4]

As an example of social capital, this report focuses specifically on voluntary work and its economic value. Participating in voluntary work is freely engaging in activities to help others, and is often a human, compassionate response to the needs of others. As such, it is a universal experience that occurs throughout the world,

in every country, and across all ages, genders, and economic levels.

According to the International Labour Organization, voluntary work "represents a more significant share of the workforce than is usually recognized."[5] If it were suddenly withdrawn, either our standard of living would deteriorate markedly, or else government and the private sector would have to provide the lost services for pay. Particularly in an era of fiscal restraint, we depend even more directly on the work of informal volunteers and civil society organizations, whose volunteers are especially important in addressing critical issues such as environmental protection, rural-urban migration, youth needs, and elder care.

Voluntary work in Bhutan provides critically important services that contribute to the standard of living, quality of life, social stability, and economic wellbeing of the country. The strength of the network of community and non-profit organizations in the nation — including religious institutions — and the powerful commitment of the Bhutanese people to helping others constitute a vital social and economic asset that merits support and recognition. By explicitly acknowledging and measuring both the social and economic value of voluntary work, Bhutan can value and make visible one of its primary assets and strengths.

As an example of the social capital values to be included in the new National Accounts, we have estimated the economic value of voluntary work in Bhutan using the basic data available from the Time Use and Community Vitality sections of the 2010 Centre for Bhutan Studies GNH Survey and a very simple replacement cost valuation methodology. This provides an initial, albeit limited, assessment of the value of voluntary work, which can be expanded in the future when more data become available.

The aggregate asset value of voluntary work in Bhutan in

2010 is estimated at Nu 320.5 million. The 2010 CBS GNH Survey indicates that the average volunteer in Bhutan, aged 15 years and older, did voluntary work about 9.5 days a year, putting in an average of 2.7 hours per day on each day volunteered.

Because of the vital importance of voluntary work, the lack of adequate data and information on the subject, and wide disparities in reporting methods, there is now an international movement to try to standardize methods for measuring and valuing voluntary work. To this end, the United Nations Secretary-General in 2001 called for nations to build a knowledge base on volunteer work, and especially to identify the economic value of voluntary work.[6]

As a response to this call, the United Nations' International Labour Organization (ILO) prepared a *Manual on the Measurement of Volunteer Work,* in which it recommends a basic standard methodology for collecting and coding data.[7] The *Manual*, released in August 2011 for the 10-year anniversary of the United Nations' 2001 International Year of Volunteers, is intended to be a systematic guide that will enable nations to generate comparable data on volunteer work: "The objective is to make available comparable cross-national data on a significant form of work which is growing in importance but is often ignored or rarely captured in traditional economic statistics."[8]

One of the main recommendations of this report is that the Kingdom of Bhutan uses the new ILO recommendations for gathering voluntary work data on a regular basis, and for including economic valuations of this voluntary work in the new National Accounts. Specific information concerning these recommendations is included throughout this report.

There are many reasons why measuring the economic value of voluntary work is important. For example, economic valuation of civic and voluntary activity highlights both the

direct and indirect contribution of the voluntary sector to society and to the market economy. It draws attention to the value of critical services on which we depend, and it raises the profile of voluntary work from its current context as isolated individual acts of charity to the framework of policy discussions on the national economy.

Despite the size, economic importance, and value of the voluntary sector in Bhutan and other countries, it is currently omitted from conventional economic accounts, which track only market activity. Both globally and nationally, what is not measured remains largely invisible in the policy arena and is thereby in danger of being undervalued. Since policy makers take their cues from those GDP-based accounts, the invisibility of voluntary work may lead to an ensuing lack of support for the voluntary sector, which in turn may threaten the viability of voluntary-based organisations providing vital services to society.

In sum, voluntary work appears nowhere in the GDP, though it contributes direct value to the economy, nor in the employment statistics, though it is definitely productive work, nor in our output measures, though it produces clearly defined services. Care of seniors, the sick or disabled is counted as a contribution to the GDP and to economic growth when it is paid for, but not when it is voluntary.

Monetizing the value of social, natural, cultural, and human wealth is therefore a strategic choice that serves in practice to draw attention to vital assets and services that are invisible and unvalued in our conventional accounts. In practice, economic valuation serves to increase appreciation for these assets and services.

What is not counted and measured is often insufficiently valued and given secondary priority in policy planning. This can be potentially dangerous because critically important unpaid work may not receive the necessary support, and

because individuals under financial or time stress may first cut back on voluntary commitments as activities they can no longer afford.
By making the economic value of voluntary work explicit and thus more visible, we increase the likelihood that vital voluntary services will be supported and that participation rates will remain high

Indeed, a primary function of the new National Accounts is precisely to draw attention to such hidden factors that directly impact happiness, wellbeing, and prosperity, and to make explicit the linkages between the economy and social and environmental factors. To this end, the new National Accounts will similarly point to the value of natural resources, the costs of pollution, trends in income distribution, the economic value of investments in human capital like health and education, and other factors that are currently hidden in our conventional accounting systems. As the economic dimensions of our social and environmental assets are quantified and measured, they will become more visible and valued, and thus incorporated more readily into the framework of policy discussions on the national economy.

TABLE OF CONTENTS

LIST OF TABLES

1. INTRODUCTION

I know the worth and character of our people. You are the true jewel of this nation. As citizens of a spiritual land you treasure the qualities of a good human being – honesty, kindness, charity, integrity, unity, respect for our culture and traditions…. Throughout our history our parents have upheld these values and placed the common good above the self.

"Coronation Address"
His Majesty King Jigme Khesar Namgyel Wangchuck
The 5th Druk Gyalpo of Bhutan[9]

1.1 Importance of social capital

This report, written for Bhutanese civil service professionals and policy makers, is a first step in attempting to explain some of the purposes, principles, and methods of the social capital accounts to be included in the new National Accounts. Through the example of estimating the economic value of voluntary work, we attempt to demonstrate the "why", "what", and "how" of the new social capital accounts.

Social capital depends upon the cooperation between people and is considered to be the web of interpersonal connections that create social cohesion, as well as the institutional arrangements, rules, and norms that facilitate human interactions.[10] In addition to voluntary work arrangements, social capital also includes other forms and structures of community engagement, civic participation, safe and secure communities, and other social networks. The productive activity undertaken within all systems has "value", for which analysts have developed a number of different evaluation methods.[11]

More than a decade ago, one of the pioneers of social capital research, Robert Putnam, argued that social capital "refers to the collective value of all 'social networks' and the

inclinations that arise from these networks to do things for each other."[12] He referred to social capital as a *national resource* — which can be depleted by lack of use — that is created by supportive relationships and cooperation between people and groups, which can not only mollify social problems in nations, but also provide tremendous positive benefit. As such, it is important for policy makers to evaluate and understand the status of social capital in the nation, to maintain its strength, and to encourage the increase of this capital if it appears to be declining.

A widespread, independent, and active network of community and voluntary organizations is also widely regarded as the hallmark of "civil society," and their active strength as a critical indicator of healthy democracy. This "social economy" is formed both through contributing to formal civil society organizations like Tarayana, Royal Society for the Protection of Nature (RSPN) or Youth Development Fund (YDF) and also through helping others informally in a myriad of other ways, such as helping sick, elderly, or disabled neighbours with daily chores. At a societal level, this social economy is the arena in which we participate most fully as citizens, freely choosing our interests and associations, and expressing our deepest aspirations to help others. The strength of a society's commitment to voluntary work is, for many social scientists, a touchstone of social health, stability, and harmony, and is thus a key indicator of social capital and major contributor to social and community wellbeing.

Analysts have observed that a weak civil society, by contrast, is more subject to social unrest, alienation, and disintegration. It is frequently associated with higher rates of crime, drug abuse, and other dysfunctional activities, which eventually produce much greater social and economic costs than wise investment in the community and voluntary associations that strengthen the fabric of civil society.

"Formal" voluntary activity describes unpaid work undertaken for charitable, non-profit, and community organizations. "Informal" voluntary work is assistance given directly to individuals, not through any organization, such as shopping, cleaning and doing yard work for a disabled, sick, or elderly neighbour. "Voluntary work" is always performed outside one's own home, while unpaid household work refers to work done within one's own home. So washing dishes for a sick neighbour is classified as informal voluntary work, washing dishes as a volunteer in a civil society organization's (CSO) kitchen is classified as formal voluntary work, and washing one's own dishes at home is classified as unpaid household work, although in each case the activity is the same.

In his 2007 book, *Blessed Unrest: How the Largest Movement in the World Came into Being and Why No One Saw It Coming*, Paul Hawken describes an emerging global civil society consisting of between one and two million volunteer-based non-profit organizations dedicated to protecting the environment, promoting social justice, and creating a better world.[13] This apparently haphazardly-organized movement, he says, is "the most complex coalition of organizations the world has ever seen," the largest and fastest growing movement in history, and the world's most powerful moral and social force. He argues that the movement is genuinely representative of citizens' needs, concerns, and aspirations, and is in fact born from the failure of national organizations like governments to represent those needs and interests effectively.

But volunteers also engage in countless more prosaic activities that nevertheless contribute enormously to community health and wellbeing. For example, Bhutanese volunteers coach and staff after-school sports activities, cook food for local festivals, fundraise for monasteries and youth organizations, provide lunch for school children who cannot afford to bring their lunch, provide counselling for

youth in need, teach literacy, fight fires, engage in search and rescue operations, help in disaster recovery, clean up litter, serve on non-profit boards, provide the lifeblood for culture and arts programs, and help each other in informal ways by caring for the sick, helping neighbours with planting and harvests, and so on.

Though motivated by generosity and care, voluntary work also has a direct economic value. If it were suddenly withdrawn, either our standard of living and quality of life would deteriorate markedly, or else government and the private sector would have to provide the lost services for pay. Particularly in an era of government fiscal restraint, we depend even more directly on the work of volunteers to provide vital services that might otherwise not be performed.[14]

In addition, research has found that social networks may play as important a role in protecting health, buffering against disease, and aiding recovery from illness as do behavioural and lifestyle choices such as quitting smoking, losing weight, and exercising.[15] Social support networks, which extend from close family and friends to the broader community, are a major determinant of health, and are "reflected in the institutions, organizations and informal giving practices that people create to share resources and build attachments with others."[16] For this reason, volunteerism is often used as a key indicator of a "supportive social environment" or the "strength of communities" that can improve health.[17]

Whether voluntary work is formal or informal, it is widely accepted as making a major contribution to wellbeing and even, according to Hawken, to addressing and dealing effectively with the most salient issues facing the planet and its people. Indeed,one survey found that the top reason given for volunteering was to make a contribution to the community and help others, while the lowest rated

motivation was to learn a skill or improve one's job opportunities.[18]

However, the immense importance of voluntary work for the wellbeing and happiness of society is generally overlooked by governments and policy makers, largely because it is excluded from conventional GDP-based accounts and measures of progress that count only goods and services exchanged for pay. As noted by Lester Salamon, Director of the Johns Hopkins Centre for Civil Society Studies and one of the pioneers of non-profit sector empirical research:

> The non-profit or civil society sector remains the invisible subcontinent on the social landscape of most countries, poorly understood by policymakers and the public at large, often encumbered by legal limitations, and inadequately utilized as a mechanism for addressing public problems. One reason for this is the lack of basic information on its scope, structure, financing, and contributions in most parts of the world. This lack of information is due in part to the fact that significant components of the non-profit sector fall within the non-observed, or informal, economy, and in part to the way even the observed parts of this sector have historically been treated in the prevailing System of National Accounts (SNA)….
>
> A series of steps have been taken over the past 20 years … to remedy this situation, culminating in … publication of a new International Labour Organization Manual on the Measurement of Volunteer Work. Taken together, these efforts point the way toward putting the civil society sector on the economic map of the world for the first time in a systematically comparative way.[19]

1.2 The development of expanded national accounts

Measurement tools that are used to assess progress towards Gross National Happiness, such as the GNH Index, are designed to reflect the kind of society in which we aspire to

live. Most agree that we want to create and nurture healthy, happy, and sustainable societies with social, economic, cultural, and physical environments that enhance wellbeing — not only for ourselves but for our children and our children's children and for the sake of all species and the natural world itself.

When we measure progress towards a GNH society, therefore, we want to assess whether the people of the Kingdom of Bhutan are better off or worse off than they used to be — not just materially or based on how fast the economy is growing — but in terms of their overall wellbeing. To gauge whether Bhutan is making genuine progress, we must therefore account for the health and security of the population; for people's livelihood security and educational attainment; for the strength, peacefulness, and cohesiveness of Bhutan's communities and the vitality of its ancient culture and wisdom traditions; for the quality of the country's environment and the health of its natural resources; and for how income, resources, and opportunities are shared among different population groups. Such basic markers of wellbeing are universal and apply to all human societies — traditional, tribal, modern, and post-modern.

Those measures require that we go beyond the current produce-and-spend accounting system, which is reflected in GDP (Gross Domestic Product) measures, to a full-cost measurement system that properly and accurately reflects the social, cultural, and environmental benefits and costs of economic activity. This more comprehensive and meaningful information, designed to measure true wealth, can then be used to inform policy and shape an economic infrastructure capable of creating a GNH society, supporting future generations, and ensuring long-term sustainable prosperity in harmony with the natural world.

The Kingdom of Bhutan is planning to do just that: it is poised to become the first nation in the world to adopt a full-cost accounting system as the basis for its new National Accounts. This will enable Bhutan to formulate policies, allocate resources, and present budgets that properly account for the value of natural, human, social and cultural wealth, in addition to that of the manufactured and financial capital captured in conventional accounting mechanisms.

In this report we have used the value of voluntary work in Bhutan as an example of social capital values that are important to include in the new National Accounts. Presently, although the United Nations recommends that countries use data collected for the System of National Accounts (SNA) to produce additional regular Non-profit Institutions (NPI) "satellite accounts," yet in both the SNA and the recommended new satellite accounts, volunteer work is still deemed to be outside of the 'production boundary' of the market economy, and is therefore not to be counted or included in a nation's core accounts.[20]

The purpose of Bhutan's new National Accounts measurement system is to provide more accurate signals of national wealth, prosperity, and wellbeing through a comprehensive set of measures that can properly identify our strengths so that we can build on them and protect them rather than take them for granted, and so that we can identify our weaknesses and thereby work to overcome them as soon as we detect early warning signals. Thus, the new National Accounts, using the best available data and measurement methodologies, are intended to provide policy makers with practical and realistic tools to assess the nation's true wealth, to measure progress towards genuinely sustainable prosperity, and to provide the evidence needed to formulate GNH-based policies that enhance the wellbeing of citizens.

The new National Accounts will acknowledge that the non-

material assets of natural, human, social, and cultural capitals are as subject to depreciation as manufactured capital, and that they also require periodic re-investment to restore and enhance their value. If a forest is cut down or degraded, that is a depreciation of natural capital as surely as machines in disrepair or an unsafe bridge reflect a depreciation of manufactured or built capital. Similarly, a sick and uneducated populace reflects a depreciation of human capital; higher crime and declining volunteer rates reflect a depreciation of social capital; and a loss of native language speakers, traditional wisdom, or knowledge of traditional arts and crafts reflects a depreciation of cultural capital.

By the same token, investments in health promotion, educational opportunities, and programs for youth in need will no longer be regarded simply as "costs" subject to government cuts at times of fiscal restraint, but rather as investments in human and social capital that will have a rate of return in improved productivity and avoided costs at a later stage. Similarly, environmental protection and restoration, skills training, establishment of youth counselling and rehabilitation facilities, preserving indigenous languages, training young Bhutanese in traditional crafts, and wearing the gho and kira to work can be seen as investments in the natural, human, social, and cultural capital that constitute essential components of the nation's wealth.

This long-term view of depreciation and return on investment is part of standard accounting procedures for businesses assessing investment needs in plants and equipment. Yet the world presently takes a decidedly short-term view in relation to the health of its natural and social assets. And governments presently have no officially accepted accounting systems or methods for assessing the value of their nations' natural, human, and social wealth, for calculating their depreciation, or for gauging the need for re-

investment. Consequently, they have no early warning mechanisms that can prevent serious resource collapses. New satellite accounts, indicator sets, and social report cards that fail to challenge this existing double standard or to provide alternative accounting procedures for our human, social, and natural assets, will have only limited impacts on policy.

In short, we need to expand our present narrowly based balance sheets or stock accounts, which ignore and therefore devalue our true wealth, into a full capital accounting system that properly accounts for the value of all our assets.

1.3 Limitations of the GDP

Globally, nations currently measure their progress and gauge their wellbeing according to a narrow set of materialist indicators — their economic growth rates. When the gross domestic product (GDP) is up, it signifies that the nation's economy is growing, which is thought to indicate that it is prospering and doing well. Conversely, when the GDP is down, this signifies that the economy is not growing and it is thought the nation is therefore not doing well. Even small changes in the GDP and related market statistics currently have great weight in policy arenas, while vital social and environmental factors, which also profoundly affect the economy and general wellbeing, remain invisible.

GDP-based measures of progress have several key limitations and problems that make them inadequate measures of human prosperity, progress, and wellbeing. For example, to name a few, GDP:

- measures only gross income and market-based economic activity;

- counts all market-based economic activity as being positive, regardless of whether it contributes to or reflects a decline in wellbeing, and it therefore does not separate out defensive expenditures that reflect increases in crime, sickness, pollution, resource degradation and other negative trends;

- does not count a wide range of positive activities that do contribute to wellbeing, such as the unpaid work contributed by volunteers and in households; and

- does not take income distribution into account.

These flaws are important to acknowledge, because discussions of Bhutan's Gross National Happiness philosophy often advance that concept primarily as a moral and ethical imperative, rather than as an essential corrective to a deeply flawed system. In that regard, it is important to recall that the term Gross National Happiness was first coined by His Majesty the Fourth King of Bhutan as a direct counterpoint to Gross National Product. To properly understand His Majesty's proclamation that GNH "is more important than" GNP, it is therefore essential to explore the limitations of GNP (or GDP as now used).

In particular, it is necessary to understand that, while there is nothing wrong with GDP when used simply to measure the size of the market economy, it is incapable of correctly assessing progress, prosperity, and wellbeing — the way it is generally used today.

As well, comprehending fully and properly the shortcomings of current market-based measures of progress will naturally point to a viable alternative conceptual framework, and to the selection of key indicators, values, and appropriate methodologies. That awareness in turn will enable Bhutan to strengthen, deepen, and clarify its own

moral and policy commitment to GNH, and to exercise a global leadership role in effectively challenging the existing dominant materialist measures that are currently used globally to assess societal prosperity and progress.

As well, pioneering the new progress measures will enable Bhutan to justify its adherence to GNH not only on moral but also on analytical grounds that effectively challenge the validity of market-based measures of progress. In all these ways, the following brief overview of GDP measures and their limitations functions as an essential pre-requisite to development of the new economic paradigm and accounting mechanisms.

First, the GDP can only tell us about the overall size of the market economy. It is not an indicator of societal progress and was never intended to be used as a measure of wellbeing. The GDP is not designed to distinguish between those economic activities that are beneficial for society and those that signify a decline in wellbeing. It is a crude market measure that narrowly accounts for the quantitative size of the market economy but not for the social, human, cultural, and natural assets that are essential components of our true wealth as a society.

The GDP aggregates the economic value of the total quantity of all goods and services produced in the market economy, and also reflect the total amount of money earned and spent in the market economy. It makes no distinction between a ngultrum spent on a hand-woven gho or a ngultrum spent building a new prison. In fact, activities that degrade our happiness, like crime, pollution, war, stress, sickness, and environmental degradation, all make the GDP go up simply because they cause money to be spent countering those ills. The more trees we cut down, the more alcohol, junk food or Prados we buy, the more prisons we build, the more we consume — the more the economy grows.

The GDP assigns no value to our natural world or to the vital life-support services it provides. Therefore, we actually and mistakenly count the depreciation of our natural wealth as economic gain. This is because the GDP only counts what we *extract* from our natural resource base and send to market. It fails to account for the health and value of what we leave behind — in our forests, soils, watersheds, and atmosphere.

Paving over a wetland, for example, counts as 'development' and produces a flurry of construction and other economic activity that contribute to GDP, but the loss of the wetland's vital ecosystem functions in nutrient cycling, flood control, water purification, waste treatment, and habitat provision remains invisible and registers nowhere in our current accounting mechanisms. As Repetto and Austin (1997) remark:

> A country could exhaust its mineral resources, cut down its forests, erode its soils, pollute its aquifers and hunt its wildlife and fisheries to extinction, but measured income would not be affected as these assets disappeared.[21]

GDP also ignores genuine contributions to wellbeing, like volunteer work and the unpaid work done in households, simply because no money is exchanged. In the wake of an earthquake or other environmental disaster, the work of the many volunteers who help the rescue and recovery efforts is counted as zero in the national accounts. However, if those volunteers were to be paid, those payments would not only cost government money but would also make GDP grow, even though that GDP increase only signifies a shift from the unpaid to the paid sector of the economy rather than a net increase in prosperity or wellbeing.

As well, GDP tells us how much income is being produced in aggregate, but nothing about how that income is shared

and distributed, so that many people might be losing real income and the gap between rich and poor might be growing (thereby threatening social cohesion) even while GDP continues to grow.

The GDPs omission of key measures of environmental sustainability, health, quality of life, equity, and financial security make it a misleading and even dangerous statistic when it is misused as a measure of progress, prosperity, or wellbeing.

Indeed, because it is a gross rather than net accounting system, registering debt-driven spending as economic gain without considering declining capacity to service the debt, GDP is misleading even as a basic economic indicator. For example, GDP failed to send key warning signals of the 2008 financial crash and resultant economic crisis, like the fact that much of the growth in GDP in the U.S. since 2001 was the result of people borrowing money against their homes to make consumer purchases.[22] A sane accounting system that considered debt growth in relation to income growth could have predicted and even helped prevent the current on-going financial and economic crisis.

Because GDP is not an indicator of either prosperity or wellbeing, for all the reasons outlined above and more, it cannot properly be used to inform the making of policy. This was explicitly recognized and understood by the architects of GDP itself, like Simon Kuznets, Nobel Prize winning economist, who wrote half a century ago that to assess the welfare of a nation it is necessary to ask not how much the economy is growing, but *what* is growing.

It is important to note that this critique of GDP-based measures of progress does not propose either replacing the GDP or revising the GDP to account for social and environmental benefits and costs. Indeed, there is nothing wrong with GDP, and no need for its revision or

adjustment, *so long as* it is used for the purpose its architects intended 70 years ago — namely to measure the size of the market economy. GDP performs that function very well and in a remarkably detailed and comprehensive way.

Also, adjusting the GDP to create a "green GDP" that subtracts environmental costs from GDP is not recommended here, although this method has been used elsewhere as a way of figuring environmental considerations into existing accounting mechanisms. However such a "green GDP" exercise remains misleading when used as a measure of progress, because it still starts from a GDP baseline, and is therefore still based on the fundamental assumption — which is questionable from a sustainability and ecological footprint perspective — that more production and consumption are necessarily beneficial..

In sum, the problem with GDP arises only when it is misused for a purpose never intended — namely to measure prosperity, progress, and wellbeing. Thus, more comprehensive indicators of progress like Bhutan's new GNH Index serve to replace the misused GDP as a measure of progress while the purpose of Bhutan's new National Accounts is to provide a comprehensive assessment of the nation's true wealth. The GDP was not designed for either function, and is incapable of serving as either an accurate progress measure or an assessment of prosperity, wealth, and wellbeing.

By attempting to fulfil those functions, the GNH Index and the new National Accounts between them effectively restore the GDP to its proper place as a measure of the size of the market economy. In that role, the GDP will become much less important and will not need to be calculated nearly as often as it presently is internationally — an unnecessary and expensive exercise that frequently mistakes short-term episodic fluctuations for long-term trends and

thereby undermines rather than enhances market stability.

1.4 Economic valuation of voluntary work

While the short description above provides the context for the valuation of natural, social, human, and cultural capital in Bhutan's new National Accounts, the remainder of this report is concerned specifically with the economic value of voluntary work as an example of social capital valuations. It discusses why it is important to measure voluntary work; the definitions and types of voluntary work; and the recommended methods used in economic valuations of unpaid work; and it provides a preliminary estimate of the current economic value of voluntary work in Bhutan.

In addition, throughout this report we present the most current definitions and methods to estimate the economic value of voluntary work that the International Labour Organization (ILO) — which is the United Nations' oldest agency — recommends in its new *Manual on the Measurement of Volunteer Work*, released in August 2011.[23] The *Manual* was developed by the Johns Hopkins University Center for Civil Society Studies (JHU-CCSS) in collaboration with the United Nations Volunteers and a Technical Experts Group assembled by the ILO, under the auspices of the ILO Department of Statistics.

The new ILO *Manual* especially recommends a data collection strategy for measuring voluntary work — designed with developing countries in mind to be cost-effective and reliable in the context of limited resources — which it strongly encourages all countries to use. The 18th International Conference of Labour Statisticians has approved the *Manual*, "making this the first-ever internationally sanctioned guidance to national statistical agencies for generating official statistics on volunteer work, using a common definition and approach."[24]

The *Manual* was prepared as a response to the United Nations Secretary General's call for nations to build a knowledge base about volunteer work and especially to acknowledge and estimate the economic value of voluntary work.[25] Released in August 2011 for the 10-year anniversary of the United Nations 2001 International Year of Volunteers, the new ILO *Manual* is intended to be a systematic guide for countries to generate comparable data on volunteer work: "The objective is to make available comparable cross-national data on a significant form of work which is growing in importance but is often ignored or rarely captured in traditional economic statistics."[26]

Thus, in the future, widespread adherence to the ILO recommendations for the measurement of volunteer work will allow important data comparisons with other countries, as the developers of the *Manual* note:

> The measurement of this economic force remains in its infancy. Most countries do not have any data on volunteering, and in those countries where such data are collected, systematic comparisons are impossible due to variations in definitions, methodologies, and scope of coverage. This has serious consequences for our ability to gain the maximum benefit from this important renewable resource for social, economic, and environmental problem-solving. It also limits our understanding of the enormous value of volunteering and our ability to give credence and respect to the contributions that volunteers make.
>
> Fortunately, the recent adoption by the International Labour Organization of a Manual on the Measurement of Volunteer Work offers an opportunity to solve this problem. To seize this opportunity, however, it will be necessary for advocates of volunteering and those in the research community with an interest in this topic to press international statistical authorities and national statistical offices to implement this Manual in their own data systems. Given the evidence of the enormous scale of

> volunteer work presented here, such a mobilization seems well worth the effort. …
>
> Once adopted by national statistical agencies, this new Manual thus promises to revolutionize the data available on volunteer work throughout the world, and to resolve many of the measurement issues that have long impeded the type of systematic, cross-national measurement of the scale and economic value of volunteering. [27]

According to the JHU-CCSS developers of the *Manual*, as of 2011, the statistics offices of six countries have agreed to implement the basic methodology recommended in the *Manual*: Bangladesh, Brazil, Norway, Poland, South Africa, and the United States — and other countries are in planning stages. [28] In Europe, the CEV (the European Volunteer Centre — Centre Europeen du Volontariat) has joined with volunteer promotion organizations to create the European Volunteer Measurement Project with the aim of promoting the implementation of the *Manual* throughout Europe.[29] In addition, the *Manual* has been recommended in key European Union policy documents. For example, the European Commission has recommended the use of the *Manual* in a Communication to the European Parliament, the Council, the European Economic and Social Committee, and others.

Also, disseminating and promoting the new *Manual* is the Global Volunteer Measurement Project (GVMP), which was launched in 2011 as a collaboration between the JHU-CCSS, the International Association for Volunteer Effort (IAVE), and the International Service Network (VOLiNTEER).[30]

The Bhutan Ministry of Labour and Human Resources (MoLHR) has reported that Bhutan is scheduled to join the ILO. The Lhengye Zhuntshog has approved Bhutan's accession to the ILO as a member state in principle, and the cabinet has directed the Foreign Affairs Ministry and the

MoLHR to complete the necessary formalities.[31] Also Bhutan has previously attended the International Labour Conferences as an Observer. This accession to the ILO paves the way for Bhutan to use the new ILO *Manual on the Measurement of Volunteer Work* to develop reliable and comparable measures of progress in this area as well as accounts of the economic value of voluntary work in Bhutan.

2. WHY MEASURE THE ECONOMIC VALUE OF VOLUNTARY WORK

Volunteerism is a source of community strength, resilience, solidarity and social cohesion. It can bring positive social change by fostering respect for diversity, equality and the participation of all. It is among society's most vital assets.

Ban Ki-moon[32]
United Nations Secretary-General
2009

2.1 Worldwide, voluntary work is immensely important

Participating in voluntary work is freely engaging in activities to help others, and is a human, compassionate response to the needs of others. As such, it is a universal experience that occurs throughout the world, in every country, and across all ages, genders, and economic levels.

Lester Salamon, Director of the Johns Hopkins University Center for Civil Society Studies JHU-CCSS) and one of the main authors of the new ILO *Manual on the Measurement of Volunteer Work*, and his colleagues, estimated the global volume of voluntary work by extrapolating volunteer data from higher, middle, and lower income countries to other countries still without data. According to the authors, this study is the "first-ever empirically grounded, though still preliminary, estimate of the global scale and economic value of volunteer work throughout the world." [33]
The researchers found that in a typical year 971 million people volunteer their time to help others directly or through non-profit organizations. They note that, if these people were gathered together into one country — "Volunteerland" — it would constitute one of the largest adult populations in the world, close in size to China and India.

Worldwide, voluntary work provides an enormous contribution to the wealth of nations, which without measurement goes largely unnoticed by governments and national populations. However, this lack of recognition and proper valuation is beginning to change. In 2008, the 18th International Conference of Labour Statisticians endorsed the first draft of the ILO's *Manual on the Measurement of Volunteer Work* and also endorsed "the importance of measuring volunteering work" not only to acknowledge the significant contributions of voluntary work to society, but also to acknowledge the importance of these measurements "for labour statistics, as one of the objectives of these statistics is to measure all aspects of labour."[34]

Following on work initiated by the United Nations 2001 International Year of Volunteering (IYV) and to mark its 10-year anniversary, the European Commission declared 2011 the European Year of Volunteering, in order to raise awareness of the value and importance of voluntary work.[35]

In 2011, during the 10th anniversary of the International Year of Volunteers, United Nations Volunteers released a major report on the state of voluntary work throughout the world titled *State of the World's Volunteerism Report: Universal Values for Global Well-Being*.[36] Written with contributions from many volunteer organizations and researchers, the report discusses and gives examples of voluntary work throughout the world, of the universal values that motivate people to volunteer for the common good, and of the connection of volunteerism to issues such as sustainable development and livelihood, technology, social inclusion, social cohesion and conflict management, disaster relief, and wellbeing.

The report notes, however, that despite the beneficial and crucial work that volunteers contribute to the wellbeing of the world, the importance of voluntary work is not properly recognized: "It is an afterthought rather than an organic

component of programmes designed to promote citizen participation and societal well-being."[37] Noting that the values that underlie voluntary work are a "true expression of our common humanity," the report recognizes volunteerism as a "powerful and universal renewable resource and a vital component of the social capital of every nation,"[38] and it encourages the incorporation of voluntary work into mainstream governmental policies.

International voluntary work surveys in countries such as Canada, the United States, and Australia, provide detailed data that give important information on volunteering in those countries. For example, as noted by UN Volunteers:

> The 2007 Canada Survey of Giving, Volunteering and Participating, conducted by Statistics Canada, recorded a total of 2.1 billion volunteer hours with both an increase in the number of volunteers (5.7%) and volunteer hours (4.2%) from 2004. In 2004, in the United States, the Bureau of Labor Statistics of the Department of Labor indicated that 62.8 million people had volunteered for an organization at least once in the previous 12 months. The Bureau of Statistics of Australia found that, in 2007, 5.2 million people volunteered for a sum of 713 million hours of work, the equivalent to 14.6 billion Australian dollars of paid work time. The study showed that 34 per cent of the adult population volunteered (36 per cent of women and 32 per cent of men).[39]

Developing countries are also beginning to document voluntary work. In 2008, in its "Follow-up to the implementation of the International Year of Volunteers (A/63/184)," the United Nations General Assembly cited 15 country-specific studies on voluntary work in developing countries. In 2010, in a report on volunteerism in West Africa, the UN Volunteers further cited 14 new developing country reports on voluntary work.[40]

Also in 2010, the Bangladesh Bureau of Statistics conducted

a comprehensive national labour-based survey on voluntary work, which resulted in a recommendation to establish a National Volunteer Agency to enhance the contribution of volunteerism to social welfare and wellbeing in Bangladesh. The survey report found that about 80% of voluntary activity in the country was informal; that 16,586,000 Bangladeshis over 15 years of age volunteered in 2010, that the contribution of volunteering to the economy was estimated to be about $US 1.66 billion; and that this economic value was equivalent to 1.7 per cent of GDP.[41]

However, most developing countries have not yet begun to collect systematic data on voluntary work. For example, as noted by Virola and Reyes writing about the Philippines:

> In the Philippines, efforts to understand better this sector and to fashion vital policy decisions supportive of its further development have been impeded by dearth of information and lack of statistical research framework. The lack of systematic data on volunteer work is not simply an academic matter. It also limits the ability to make the most effective use of this important renewable resource. … The lack of systematic information and available reliable measures of the economic contribution of volunteer have resulted in the "shadowed statistical relevance" of volunteerism in the Philippines, and for that matter, in most other developing countries… hindering efforts to successfully harness volunteerism as a significant economic force for progressive and sustainable national development.[42]

Within this context, this first report on the economic value of voluntary work in Bhutan can therefore be seen not only as providing important information for this country, but also as a contribution to a global effort to value voluntary work, and particularly to the growing effort within developing nations to harness this vital resource.

2.2 General importance of voluntary work

2.2.1 Voluntary work has economic value

Though motivated by generosity and care that transcend material motivation, voluntary work nevertheless provides a wide range of vital unpaid services to society and therefore has a direct economic value. Salamon et al. estimated the total economic value of the work contributed by the global volunteer workforce in 2005 to be US$1.348 trillion, making "Volunteerland" the seventh largest economy in the world — the equivalent of 2.4% of the global economy, and 17.5% of global government final consumption expenditures.[43] Salamon et al. also note that "if volunteering were to disappear tomorrow, it would be equivalent to the disappearance of 40 percent of the world's construction industry or close to 30 percent of the world's entire transportation industry."[44]

According to the ILO, voluntary work "represents a more significant share of the workforce than is usually recognized."[45] If it were suddenly withdrawn, either our standard of living would deteriorate markedly, or else government and the private sector would have to provide the lost services for pay. Particularly in an era of fiscal restraint and government cutbacks, we depend even more directly on the work of voluntary organizations and informal volunteers. Volunteers are extremely important in programs or groups addressing critical issues, such as environmental protection, rural-urban migration, youth needs, and elder care.

The originators of the Genuine Progress Indicator in the United States described their rationale for including the economic value of voluntary work in this way:

> Work done here is the nation's informal safety net, the invisible social matrix on which a healthy market economy

> depends. … [T]here is little question that workers in the under-served community and volunteer sectors — the churches and synagogues, civic associations and informal neighborly efforts — are doing work that is desperately needed. Despite its crucial contribution, however, this work goes entirely untallied in the GDP.[46]

However, the question still arises that if the motivation for volunteering is clearly altruistic, as various statistical agencies have documented, then why is it important to assign an economic value to it? Aren't we diminishing the inherent value of voluntary work by putting a monetary value on it? After all, volunteers do what they do out of their sense of generosity and heartfelt caring for others, and without intent or hope of getting anything back in return. Money is generally the last thing on their minds. Does the assignation of a monetary value to their work cheapen and undermine such noble and altruistic motivation and intent?

In fact, however, placing an economic value on voluntary work by no means diminishes the work of volunteers in any way. On the contrary, it has the opposite effect. The valuation serves in practice to draw widespread attention to the valuable contribution of volunteers and to strengthen appreciation of their work. In the most practical terms, economic valuation also gives government an economic and cost-saving reason to strengthen its support of the voluntary sector: — after all, the stronger the voluntary sector, the more money can be saved in avoided expenditures on providing the same services for pay.

The basic point here is simply that monetizing the value of our social wealth, as well as our natural, cultural, and human wealth, by no means diminishes their inherent value, but — on the contrary — is rather a strategic choice that actually serves in practice to draw attention to vital assets and services that are invisible and unvalued in our conventional accounts. Economic valuation, therefore, serves to increase

appreciation for these assets and services rather than to diminish or cheapen their inherent value.

2.2.2 The economic value of voluntary work should be explicit and visible

Despite a growing international body of research on volunteerism, as the UN Volunteers' (UNV) *State of the World's Volunteerism Report* notes, there has been a lack of international standards for defining and measuring voluntary activity, which in turn has hindered the possibility of global comparative analysis and of incorporating volunteerism into governmental policy. UNV finds that there are three main challenges in researching volunteerism:

1. Firstly, there is no common agreement on what volunteerism is and how it is manifested;

2. Secondly, there are widespread misperceptions, contradicted by empirical data and anecdotal information, that obscure the nature and extent of volunteerism; and,

3. Thirdly, there is no agreed methodology for assessing the volume and value of volunteer action.[47]

In an effort to standardize definitions and methods for estimating the value of voluntary work, the International Labour Organization (ILO) — the United Nations agency that deals with international labour standards — in 2011 released the *Manual on the Measurement of Volunteer Work*. As previously noted, the *Manual* was developed under the auspices of the Johns Hopkins Center for Civil Society Studies with input from many experts in the field.

The *Manual* builds on previous work such as the UN Volunteers' *Measuring Volunteering: A Practical Toolkit*[48] and the United Nations' *Handbook on Non-profit Institutions in the*

System of National Accounts,[49] both of which addressed formal volunteering in non-profit institutions. UNV suggests: "Adopting the ILO Manual recommendations can substantially increase the availability of reliable, comparable measures of volunteering to supplement labour force statistics."[50]

Conversely, failing to measure and value voluntary work directly renders it invisible in the conventional economic accounts from which policy makers take their cues and which guide the behaviour of governments, businesses, and individuals. The value of voluntary work appears nowhere in the GDP though it contributes direct value to the economy. Nor does it appear in the employment statistics though it is definitely productive work, nor in economic output measures though it produces clearly defined services. Care of seniors, the sick or disabled is counted as a contribution to GDP and to economic growth when it is paid for, but not when it is voluntary.

What is not counted and measured is often insufficiently valued and thus given secondary priority in policy planning. This can be potentially dangerous to the health of the voluntary sector and to the services that sector provides, because critically important unpaid work may not receive the necessary support, and because individuals under financial or time stress may first cut back on voluntary commitments as activities they can no longer afford.

By making the economic value of voluntary work explicit and thus more visible, we increase the likelihood that vital voluntary services will be supported and that participation rates will remain high. A study of the economic dimensions of volunteer work written over 20 years ago is still relevant today:

> When recognized at all, volunteer work is most often seen as isolated individual acts of charity; consequently, it

> remains largely outside the framework of policy discussions on the … economy. The lack of reliable statistics on volunteer activity at the national level has tended to reinforce this invisibility…. It is hoped that by illustrating the economic significance of voluntary activity…it will become more visible and valued, and that both the public and policy makers alike will give volunteerism the increased attention and assistance it deserves.[51]

Indeed, a primary function of Bhutan's new National Accounts is precisely to draw attention to such hidden factors that directly impact happiness, wellbeing, and prosperity, and to make explicit the linkages between the economy and social and environmental assets. To this end, Bhutan's new National Accounts will also point to the economic value of natural capital assets and the ecosystem services they provide, the costs of pollution, trends in income distribution, the economic value of investments in human capital like health and education, and other key determinants of wellbeing that are currently hidden in our conventional accounting systems. In all these cases the logic remains the same as that suggested by the quotation above. As the economic dimensions of our social and environmental assets are quantified and measured, they will become more visible and valued, and thus incorporated more readily into the framework of policy discussions on the national economy.

UN Volunteers notes in its 2011 *State of the World's Volunteerism Report: Universal Values for Global Well-Being*:

> If national governments are to take volunteering into account in national policy, they have to be convinced of its value, including its economic value. Too often, governments are unaware of the extent of volunteering, the different segments of society that it includes, and the value it creates. Once they are convinced of the benefit of factoring volunteerism into decision-making, governments

> need reliable data to develop appropriate strategies. This ensures that this resource is properly nurtured and harnessed for the overall wellbeing of the country.[52]

2.2.3 Voluntary work is a critical indicator of a healthy civil society

Perhaps most importantly, the growing network of voluntary non-profit, community, and civil society organizations in Bhutan can be regarded as backbones of a healthy democracy and as critical indicators of a vibrant "civil society." This "social economy" is the arena in which we participate most fully as citizens, freely choosing our interests and associations, and expressing our deepest aspirations to help others.[53] The strength of a society's commitment to voluntary work is, for many social scientists, a touchstone of social health, stability, and harmony.

A weak civil society or social economy — also called its social capital — by contrast, is more subject to social unrest, alienation, and disintegration. It is associated with higher rates of crime, drug abuse, and other dysfunctional activities, which eventually produce much greater social and economic costs than wise investment in the community and voluntary associations that strengthen the fabric of civil society.

Jeremy Rifkin — renowned economist, writer, and president of the Foundation on Economic Trends — describes civil society as "the millions of people in every country who give of themselves to contribute to the common weal. It's the ancient economics of gift-giving." [54] Rifkin recommends that schools encourage youth to "go out into their community, as part of their educational experience, and work in a non-profit neighbourhood organization of their choice, to learn social capital."[55] And it is his expressed aspiration that in the 21st century, workers will spend 25 hours a week in the market economy and the

rest with family and volunteering in community.

2.2.4 The voluntary sector is of particular importance to Bhutan

Finally, as will be discussed in the next chapter below, the voluntary sector is of particular importance to Bhutan, where strong community networks and social supports have traditionally provided the foundation for citizens' sense of belonging, security, and wellbeing. Bhutanese devote considerable time to voluntary activity — particularly providing informal assistance to neighbours in need — and they now also increasingly volunteer their time through the burgeoning formal civil society organizations in caring for the environment and working for their communities.

By explicitly acknowledging and measuring both the social and economic value of voluntary work, we can therefore value and make visible one of Bhutan's primary assets and strengths. Such valuation can also enhance societal support and appreciation for voluntary work, and the esteem in which it is held, and thereby encourage participation. Since democratic participation is so new in Bhutan, valuing voluntary activity in this way will also strengthen the civil society and civic participation that are hallmarks of a healthy and thriving democracy.

Voluntary work, in sum, is a hallmark and marker of quality of life, community strength, democratic participation, mutual care, and generosity. It epitomizes the highest GNH values, principles, and practices. In the long run a strong voluntary sector and high degree of civic consciousness even contribute to social stability and national unity and security.

At this point, it is important to note that nothing in this report should be construed to imply:

- that assigning an economic value to voluntary work means it should be paid,

- that voluntary work is motivated by economic considerations, or

- that the GDP itself should be changed to include the value of unpaid work.

The GDP will undoubtedly continue to function for the purpose for which it was originally intended — namely as a gross aggregate of final market production. Rather, Bhutan's new National Accounts will provide more comprehensive valuations of the nation's true wealth than currently exist, including the value of its precious social capital, of which voluntary work constitutes one crucial part.

3. WHO ARE THE VOLUNTEERS

We know that true abiding happiness cannot exist while others suffer, and comes only from serving others….

His Excellency Lyonchhen Jigmi Y. Thinley
Honourable Prime Minister of Bhutan[56]

3.1 Definitions

The designation "voluntary" work is used here to refer both to work and services performed willingly and without pay through volunteer organizations, and also to direct unpaid help and care rendered to those outside one's own household. United Nations Volunteers outlines three basic criteria of volunteerism — free will, non-pecuniary motivation, and benefit to others — which together help contribute to a definition of voluntary work:

1. Firstly, the action should be carried out voluntarily, according to an individual's own free will, and not as an obligation stipulated by law, contract or academic requirement. The decision to volunteer may be influenced by peer pressure, personal values or cultural or social obligations but the individual must be able to choose whether or not to act.

2. Secondly, the action should not be undertaken primarily for financial reward. Some reimbursement for expenses or stipend-type payments, or payments in kind such as provision of meals and transport, may be justified…. The parameters of our definition also include full-time volunteer placement programmes, both domestic and international, which may pay allowances, normally calculated on the basis of local expenses. They take into account costs associated with living away from one's home environment and the absence of one's normal

source of income.

3. Thirdly, the action should be for the common good. It should directly or indirectly benefit people outside the family or household or else benefit a cause, even though the person volunteering normally benefits as well.[57]

Voluntary work can be offered either through a civil society organization like Tarayana, RSPN, or YDF for example, or else independently of any group by people helping others directly and on their own. These two categories of voluntary workers are called "formal" and "informal" volunteers, respectively.

Voluntary work is sometimes referred to as "unpaid work of civic value," which is defined in an analytic research paper on human capital as:

> Unpaid non-investment activity undertaken by an individual that, by its nature, is thought to yield more public, community or societal benefits than private or family benefits…. Such activities are thought to be essential to the promotion of peace, order and good government; effective and just local communities; more publicly sensitive schools, hospitals, businesses and other institutions; and civic minded and environmentally sensitive citizens. It is only by quantifying the civic contributions of citizens that the value of basic institutions such as the family, school, faith community and voluntary associations will be more fully appreciated.[58]

Because time use and social survey data generally aggregate the hours devoted to unpaid civic work and voluntary work. And because there is considerable overlap between the definitions of civic and voluntary work, they are considered as a single category in this study. It should be noted that definitions of civic and voluntary work in relation to religious activity generally include *organizing* religious services, but not *attendance* at religious services.

The simplest common definition of volunteering is perhaps that in a report for the Voluntary Action Directorate of Multiculturalism and Citizenship Canada: "In the end, that seems to be what defines a volunteer: a belief that it is important to give, formally or informally, whatever time and help you can."[59]

The ILO notes that the term "volunteer" or "volunteering" is not recognized as a distinct activity in many countries, especially where there is already an expectation in the culture that "helping" or "providing assistance" is a normal part of daily life. This observation is certainly true of Bhutan. Thus, the ILO suggests using the term "unpaid non-compulsory work" in its place.

To avoid confusion, however, use of that term for voluntary work must be clearly distinguished from other forms of "unpaid work" like that performed by subsistence farming households, which is considered to be 'employment' in the System of National Accounts. That distinction can sometimes be made by clarifying that the former is performed for persons outside one's own household while one's own household is generally the primary beneficiary of unpaid work in subsistence farming. However, those distinctions may be blurred when farm labour is exchanged for mutual benefit on the understanding that unpaid help on a neighbour's farm will be repaid by the neighbour's help on one's own farm.

The ILO *Manual* proposes that countries use the following standard definition to define "volunteer work":

> "Unpaid non-compulsory work; that is, time individuals give without pay to activities performed either through an organization or directly for others outside of their own household."[60]

The ILO notes that this definition includes key features:

- It involves work that produces goods or services that are of value to the recipient;

- it is unpaid, but volunteers may receive reimbursements for expenses, such as those for travel, equipment, or meals;

- it is non-compulsory;

- it includes "direct" (informal) volunteering for activities performed for others outside one's household, and organization-based (formal) volunteering — and it is important to separate the two types of volunteering in data collection for classification and reporting purposes;

- it includes all types of institutional settings in "organization-based" volunteering, such as non-profit organizations, government (including educational settings), religious institutions, private business, etc.;

- in describing unpaid work done for those outside one's own household, the definition deliberately uses the word "household," as is the convention in labour force surveys, instead of the word "family," which has different connotations in different cultures; and

- the definition does not limit the scope of voluntary work, which can benefit an assortment of organizations, causes, people, animals, the wider community, the environment, etc.

In restricting the definition of voluntary work to unpaid work for those outside one's own household, the ILO uses the same definition of "household" that is used in the System of National Accounts, namely:

> "a group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food."[61]

Also, the ILO recommends the use of "prompts" and examples in surveys on voluntary work in order to help define volunteering/unpaid work for the respondent. Researchers have found that serious under-reporting occurs when prompts are not used, since people regularly do things they do not consider to be voluntary or "unpaid non-compulsory" work, but which actually fall within the definition of voluntary work. For example, in Canada a survey using a direct question about whether the respondent did any voluntary work yielded a 33% volunteer rate, but a survey that used prompts explaining, defining, and giving examples of voluntary work yielded a 45% volunteer rate.[62]

To further clarify what can and cannot be considered to be volunteer work, the ILO *Manual* provides the examples reproduced in Table 1.

Table 1. Examples of voluntary work considered to be within or outside the scope of the recommended definition of volunteer work

Within the scope	Outside the scope
Buying groceries for an elderly neighbour	Buying groceries for one's own household
Working in a soup kitchen cooking meals for the homeless	Cooking meals for one's household
Volunteering as a teacher in a public school	Helping one's child with homework
Performing a union function on one's own time	Performing a union function on company time
Serving on a neighbourhood clean-up committee	Cleaning one's own house or yard
Helping an organization create or maintain a website	Participating in internet-based social activities (such as MySpace or Facebook)
Working on a voter registration drive	Voting
Distributing food, medical or material assistance at a shelter	Driving one's spouse to hospital for medical care
Serving as an usher or otherwise working on behalf of a religious organization	Attending a religious service
Helping a nonprofit environmental organization gather water samples without compensation	Doing research for one's occupation
Providing unpaid legal advice at a legal services agency	Receiving payment for legal advice or assistance
Serving as a coach for a children's sports league, including one in which one's own child is involved.	Helping one's own child to practice a sport
Making clothes for disadvantaged children	Making and repairing clothes for one's own children
Constructing housing for homeless families	Engaging in housework in one's own home
Assisting stranded animals or animals that are victims of an environmental disaster	Being paid by an organization that caters to animals in distress
Providing marginally paid foster-care services on a short-term basis	Providing foster-care services on a long-term basis
Providing counselling support or mentoring to another person without compensation	Offering advice to a neighbour in the course of a friendly conversation
Volunteering with co-workers outside working hours for which one is not paid	Volunteering during paid time-off granted by an employer
Sewing a blanket for a sick neighbour	Sewing a blanket for a sick household member
Driving a neighbour to a medical appointment	Ride-sharing with a neighbour to work.

Source: International Labour Organization (ILO). 2011. *Manual on the Measurement of Volunteer Work*. International Labour Office, Geneva, Switzerland. p 17. http://ccss.jhu.edu/wp-content/uploads/downloads/2011/09/ILO_Manual_FINAL_8.29.2011.pdf.

3.2 Volunteers in Bhutan

Voluntary work in Bhutan, including serving one's community and generously giving help to others in need, is deeply rooted in the traditional beliefs and practices of the Bhutanese people.[63] Mahayana Buddhism, the state religion that was introduced into Bhutan in the 7th century, teaches the bodhisattva practices of loving kindness and compassion towards all sentient being, as well as putting others before oneself — values that are deeply ingrained in traditional Bhutanese culture.

According to Khenpo Phuntsok Tashi, "The basis of the Mahayana vehicle is ethical conduct fuelled by bodhicitta."[64] The aspiration is that through awakening bodhicitta, which may be translated as 'awakened heart/mind', one works for the benefit of all sentient beings to relieve them of suffering and bring happiness. Khenpo continues:

> In the Mahayana vehicle, it is imperative that moral discipline be accompanied by the practice of bodhicitta, because liberation from suffering is not just for oneself but for all the other sentient beings. In this way, bodhicitta keeps the moral discipline glued in place because the desire for virtuous conduct and a positive outcome for all, come straight from the indestructible heart's drop. Good governance should come from the heart because this is where the wisdom mind rests…. it is so important to practice bodhicitta as a support for ethical conduct. It is the precious bodhicitta which puts other sentient beings' happiness before one's own misguided self-grasping desires. Bodhicitta is a means by which the selfish desires can be restrained, reduced, and even dissolved. Only by habituating one's mind to feeling very close to others and recognizing their innate Buddha nature can mindfulness be maintained regarding the best service toward others' happiness.[65]

The Bhutanese people, through unique social and historical experiences, are therefore accustomed to social relationships

of mutual help and reciprocity, trust and commitment, responsibility and obligations, and informal voluntary work and cooperation. Through such community solidarity, interactions with nature, and respect for local deities, they have also learned to work collaboratively to overcome difficulties associated with natural obstacles, epidemics, workforce shortages, and absolute material scarcity. Historically, Bhutanese villagers have jointly and sustainably managed natural and communal resources and created socially secure and sustainable communities.

Because of its relative isolation until very recently, Bhutan has more successfully maintained such social capital than countries in which the impacts of modernization and increased mobility have a longer history of penetration. However, rapid rural-urban migration in the last 15 years, the recent influences of television and the internet, and the rapid penetration of western materialist and consumerist values, have posed major challenges to traditional social networks, and in some cases a rapid unravelling of social bonds that once provided solidarity, a sense of belonging, and strong mutual support.

Dr. Mark Mancall, former director of Bhutan's Royal Education Council and professor of modern history at Stanford University in the United States, points to the fundamental challenge posed by western development policy to the more communal philosophy underlying Bhutan's Gross National Happiness (GNH) approach. In an article titled "Gross National Happiness and Development: An Essay," written for the First International Conference on Operationalization of Gross National Happiness in 2004, Dr. Mancall notes that the western model emphasizes "the primacy of individual advantage as the motivation for growth," while "GNH insists upon a set of values that ensure that the interests of the whole will predominate in Bhutanese society."[66] Thus, he writes, GNH cannot be "simply an aggregate of individual happiness."

This emphasis on the common good provides the value base for voluntary activity in Bhutan.

Karma Galay explains that there is a strong sense of interdependence and cooperation among villagers in Bhutan.[67] Although shared Buddhist beliefs are partly responsible for this sense of social cohesion, this is also the result of the necessity for shared management of resources, such as pastures, drinking and irrigation water systems, roads, and bridges, and for organisation of local festivals and ceremonies. Thus, according to Karma Galay: "It is such systems of management of communal resources and organisation of festivals, which are unique to different localities that introduce the concept of civil society into our understanding of Bhutanese villages."[68]

The necessity of reciprocal exchange of farm labour is also crucial for community vitality and, indeed, for basic survival among villagers in rural Bhutan. As Sonam Kinga explains: "It is not possible for any household to complete ploughing the fields, sowing, weeding, and harvesting his/her entire landholdings without entering into this exchange system."[69]

In sum, the traditional strength of social capital in Bhutan is rooted in shared spiritual values, the primacy of communal over individualist concerns, shared resource management, pooled farm labour, and other historical, religious, and cultural characteristics. While all these sources of social collaboration are under challenge in a rapidly developing modern Bhutan, existing bonds to traditional village and communal life generally remain a strong inspiration and wellspring of voluntary activity in Bhutan.

3.2.1 Informal volunteers

Informal voluntary work refers to providing direct help to others outside of one's own household. Referring to informal voluntary work, Yangdey Penjor, Executive

Director of Bhutan's Youth Development Fund (YDF), notes:

> Traditionally, the Bhutanese thrive on the remarkable spirit of community participation in activities ranging from managing water usage to organizing archery matches. Such informal community groups across the country have always formed the basis of a vibrant civil society.[70]

In an article on the traditional forms of volunteerism in Bhutan, Tashi Choden of the Centre for Bhutan Studies explains that two main ways people assist each other are through helping with house construction and with the difficulties families face when one of their members dies:

> Traditionally, in Bhutan, one of the biggest works any family or individual has to undertake is the building of a house. The other times when people face difficulty and need help are when a family member dies. In these times, our society evolved a system whereby the entire community would help those who faced difficulties by contributing voluntary labour. Such instances include the free provision of labour by every household towards the construction of houses, or rebuilding a house gutted by fire or destroyed in other natural calamities.
>
> During times of death, the entire community in villages would come forth with help in the form of money, food grains, emotional support, religious services and manpower. These two basic forms of traditional volunteering in Bhutan are based on being responsible and helpful to one's own community and society.[71]

In addition to providing help during times of death in a family and assisting others with house construction, renovation, maintenance, and repair, other examples of informal voluntary activity that are also prominent in Bhutan include:

- Visiting and caring for the elderly
- Caring for the sick and disabled
- Shopping for or transporting those unable to do so themselves
- Assisting those in need with housework and cooking
- Assisting illiterate people with correspondence
- Unpaid child care for those outside one's own household
- Various forms of medical and personal care for adults and children
- Coaching sports and other youth activities
- Caring for the environment, such as working in local, informal clean-up activities
- Unpaid farming help outside one's own household, particularly during peak planting and harvest times.

3.2.2 Formal volunteers

Volunteering to work with formal voluntary organizations is relatively new in Bhutan. Formal voluntary organizations can be both registered with the government, like Tarayana, YDF, RSPN, and others, or unregistered like the Voluntary Artists Studio, Thimphu (VAST) or the Samdrup Jongkhar Initiative (SJI), but both types depend on a significant component of voluntary work in addition to paid staff support. As well, several unregistered organizations are in the process of registration although, at the time of writing, the Civil Society Organization Authority has suspended all registrations indefinitely due to its own bureaucratic and governance problems. Registered organizations have significant advantages such as lower tax payments and a higher possibility of economic support, including approval to fundraise.

Formal voluntary organizations that are registered in Bhutan as civil society organizations (CSO) are defined by the Civil Society Organizations Act of Bhutan (2007):

Civil Society Organizations ("CSO") shall refer to associations, societies, foundations, charitable trusts, not-for-profit organizations or other entities that are not part of Government and do not distribute any income or profits to their members, founders, donors, directors or trustees. CSOs do not include trade unions, political parties, cooperatives or religious organizations which are devoted primarily to religious worship.

For the purpose of this Act, there are two types of CSOs, distinguished by their differing objectives:

> (a) **Public Benefit Organizations** ("PBOs") are CSOs which are established in order to benefit a section or the society as a whole.
>
> (b) **Mutual Benefit Organizations** ("MBOs") are CSOs which are established in order to advance the shared interests of their members or supporters, such as to advance the shared interests of people working in a particular profession, the businesses engaged in a particular industry, youth studying in a university, or people who are interested in a particular cultural activity, sport or hobby.[72]

Furthermore, the Act lists the purposes of PBOs:

> PBOs shall serve to supplement or complement the efforts made by the Government to:
>
> (a) Protect human life and health;
>
> (b) Prevent and alleviate human suffering and poverty;
>
> (c) Disseminate knowledge and advance learning;
>
> (d) Develop the Country economically and culturally;

(e) Assist in the protection and promotion of national culture and heritage;

(f) Protect the natural environment; and

(g) Promote social harmony and Gross National Happiness.[73]

The CSO Act was passed in 2007; the CSO authority, which registers the CSOs, was started in 2009; and the first CSOs were registered in March 2010. As of 29 November 2011, 22 organizations were registered in Bhutan as CSOs, including: RENEW (Respect, Educate, Nurture and Empower Women), Loden Foundation, Bhutan Centre for Media and Democracy, Bhutanese Association of Women Entrepreneurs (BAOWE), Bhutan YDF (Youth Development Fund), RSPN (Royal Society for the Protection of Nature), Draktsho Vocational Centre for Special Children & Youth, and Tarayana Foundation.[74]

However, there are other well-known non-governmental organizations (NGOs) in Bhutan for which many volunteers work that either have not registered as CSOs or are in the process of registering, such as VAST (Voluntary Artists' Studio, Thimphu), Samdrup Jongkhar Initiative (SJI), Volunteers in Bhutan, Community Scouting (CS) of Bhutan, Royal Society for the Protection and Care of Animals (RSPCA), Rural Education and Development, People's Project for Youth, and Jangsa Animal Trust.[75]

A current critique of the present system among some volunteer-based groups is that the CSO registration process is far too lengthy, complex, cumbersome, legalistic, and bureaucratic, with frequent delays and mis-communications on the part of the CSO Authority itself due to its own governance problems. As well, the very demanding requirements are far more suited to large, well-established, more hierarchically-structured groups that already have

significant staff and funds than to new, grassroots groups that are almost entirely dependent on volunteers and that have little or no means to support paid staff.

A defence of the present system is that it is designed precisely to prevent the formation of corrupt, self-serving groups that fundraise for their own benefit, and which have arisen in countries where CSO registration processes are much quicker, easier, and simpler, and with fewer controls.

Despite such benign motives, it is apparent that the present CSO registration process in Bhutan discourages civil society development and the expansion of formal voluntary work in Bhutan, especially in the start-up of new grassroots community-based groups. Those groups do not generally have the means, resources, or expertise either to wend their way through the current highly complex and lengthy registration process, or to satisfy requirements that do not apply to their very modest volunteer-based operations. In fact, the present legal restrictions on non-registered voluntary-based organizations may inhibit their capacity ever to acquire the means to expand and become better established through fundraising and support for their activities. Despite these hurdles, which may well be associated with the new-ness of democracy in Bhutan and with the transition from more hierarchical traditional structures, there is, at the same time, no question that civil society activity is growing exponentially. According to Yangdey Penjor, Executive Director of YDF:

> Civil society is contributing immensely to Bhutan's socio-economic development….
> Now, over the last few years, many NGOs and associations have been established, further enhancing the role of civil society in enriching public participation in democracy and building social capital.[76]

The NGOs (non-governmental organizations), including

charities, community groups, professional associations and more, are all civil society groups that include volunteers committed to health care, education and youth development, social services, religious activity, sports and recreation, environmental protection, law and justice, employment opportunities, arts and culture, and general public benefit.

Volunteers who work for governmental institutions and religious organizations that are not civil society organizations, such as schools, hospitals, basic health units, and lhakhangs, also extensively engage in formal voluntary work, according to ILO and other established definitions of volunteerism. Such work might include serving as village health workers, assisting teachers in classrooms or in extra-curricular activities after school hours (like nature clubs), assisting during religious rituals and local festivals, or assisting with religious establishment construction, renovation, maintenance, and repair, such as with chortens damaged during recent earthquakes.

For example, as of 2010, 1,049 volunteer Village Health Workers (VHWs), selected by communities and who have a ratio of approximately three men to each woman, were working in the 178 Basic Health Units (BHUs) in the country.[77] The volunteer VHWs are trained by the government and serve as liaisons between the rural population and the government health workers in the BHUs.

They work directly with the rural population mainly raising awareness and knowledge on a wide range of health issues, including environmental sanitation and personal hygiene, HIV/AIDS education, malaria prevention, and other forms of disease prevention and health promotion, including spreading knowledge of vaccines, family planning, and nutrition. The VHWs also provide simple treatments for minor diseases like common colds, diarrhoea, and

dysentery, and give basic first aid treatment for emergencies. A brief news report on a recent VHW training session in Samtse notes that the devotion of the VHWs is "unmatched":

> Purna Bhadur Rai has been working as the Village Health Worker in Lepchagoan, Dorokha for the last 22 years. Like his colleagues, he does not get paid. His only reward is the gratitude of his patients and the satisfaction of a job well done. "In the past, we encouraged people to construct toilets, speaking to them on the importance of sanitation." Chenzom is from Hangay village, a malaria prone area. "I go from house to house, explaining how mosquitoes breed in dirty environment and how keeping your environment clean is important for preventing malaria."[78]

Some VHWs have said that they volunteer to "work in the community because they have been trusted and trained to care for the community and it gives them recognition for their service."[79] Also, according to UNICEF:

> The other motive that drives the VHWs to continue is the central Buddhist tenet of service for the sake of improving ones "karma". Many VHWs tell that although they receive nothing for their service now, they feel that the good that they have done will certainly help shape a better "karma" for the next life. There is also a general attitude in Bhutan that responsibility delegated in some way has to be fulfilled.[80]

Another typical example of voluntary work performed through such established institutions is that of parents voluntarily undertaking major construction projects for schools. It is common throughout Bhutan, for example, for parents to get together to construct a school boarding hostel to avoid children having to walk very long distances from their villages to school, to build a fence around a school to ward off wild boar predation of school gardens, and to make other such contributions of labour.

Karma Galay classifies Bhutanese associations that depend on voluntary work into five categories, based on their purposes and activities:

1. Associations that are based on the management of communal resources, such as pastures, bridges, monasteries, community halls, drinking and irrigation water supply systems, and roads.

2. Associations that are based on providing relief to individuals and families during the sickness or death of a relative.

3. Associations that conduct *tshechus* and other religious ceremonies on auspicious days.

4. Associations that carry out government policies, such as the National Women's Association of Bhutan which promotes skills among women, and the Royal Society for the Protection of Nature which promotes environmental conservation.

5. Associations that are based on commercial enterprises, such as the Association of Bhutanese Tour Operators and the Contractors Associations of Bhutan, which provide a basis for networking and forums for discussion of relevant issues.[81]

Globally, examples of formal volunteer work include work related to the areas listed below. Bhutan presently has organizations, institutions, and informal groups committed to working in many of these areas.

Health: hospitals, clinics, basic health units (village health workers), nursing homes, first aid groups, peer counselling in rehabilitation centres.

Education and Youth Development: extra-curricular activities in schools such as helping with musical performances and sports, organic gardens, work with teachers, literacy programs, museum education, special education, scouting programs, and non-formal adult education programs.

Social Services: Help with food distribution in schools and to those in need, homes, shelters, or other supports for abused women and neglected children, groups helping disabled persons and the elderly, home care for those in need, rehabilitation centres for addicts, help lines, groups which help and counsel victims, and multi-purpose services helping children in need.

Sports and Recreation: Coaching and refereeing for community sports events, organizing and participating in hobby and common interest groups and camps, helping maintain sports and recreation facilities.

Law and Justice: Legal aid and education, crime prevention activities, offender and ex-offender groups.

Employment and Economic Interests: Job counselling and education, entrepreneurial opportunities, skills training workshops for disadvantaged youth and adults, consumer protection advocacy, occupational health and work safety.

Religious Organizations: Organizing and conducting formal religious education and services, religiously affiliated youth groups, organizing festivals, and preparing food and offerings at local lhakhangs and dzongs and for drubchens, tsoks, and empowerments.

Arts and Culture: Dance and music ensembles, arts and crafts groups, photographic and writers associations, community theatres, maintaining museums, galleries, archives and libraries.

Social and Public Benefit: These groups are regarded as primary for participatory democracy, including village and town councils and groups concerned with local politics and social justice; women's groups serving the community; search and rescue teams, emergency, safety and fire-fighting volunteers; groups devoted to maintaining community facilities, forests, lhakhangs, chortens, etc.; animal care and rescue.

Environment and Wildlife: Pollution prevention and cleanup, litter clean-up, recycling associations, environment protection groups, resource conservation groups, wildlife and nature organizations like the Royal Society for the Protection of Nature and World Wildlife Fund, animal protection.

Multi-Domain Organizations: Service clubs, multi-purpose women's organizations.

Some organizations, such as the Samdrup Jongkhar Initiative (SJI) started by Dzongsar Jamyang Khyentse Rinpoche, use both national and foreign volunteers. National volunteers who know the local language are able to communicate directly with the local people and contribute to sustainable GNH-based development in highly personal ways while foreign volunteers may provide expertise and training in particular areas. For example, both national and foreign SJI volunteers are working with local people to shift to organic agriculture, develop new forms of livelihood, introduce appropriate technology such as solar drying of fruit and vegetables, create zero waste campaigns, and work with youth in art camps and media, among other projects.

In addition to national organizations, there are international organizations stationed in Bhutan that are concerned with issues such as sustainable development, poverty alleviation, disaster relief, education, and youth issues. Among the *International Organizations* working in Bhutan, many of which also use volunteer help are: UNICEF, UNDP, UNV (UN

Volunteers), JICA (Japan International Cooperation Agency), HELVETAS (Swiss Intercooperation), SNV (Netherlands Development Cooperation), the Thai Volunteer Programme (also known as "Friends from Thailand – FFT"), and WWF (World Wildlife Fund).

4. ECONOMIC VALUE OF VOLUNTARY WORK IN BHUTAN

4.1 Voluntary work data in the GNH Survey

The Gross National Happiness (GNH) Survey, conducted by the Centre for Bhutan Studies, is the only data source that presently asks about voluntary work in Bhutan. The first GNH Survey was conducted in 2007 in 12 of the 20 dzongkhags of Bhutan with a limited sample size of 950 respondents, and is therefore not representative of the entire country.[82] However, the second GNH Survey was carried out, "efficiently and to a high standard," in all 20 dzongkhags with a much larger and nationally representative sample of 8,700 respondents, between April and December 2010.[83] The GNH website notes:

> One of the major reasons for the extensive field time was the scattered population of the villages, which made it difficult for enumerators to interview more than one person in a day. Further, traveling to survey locations was time consuming due to the remoteness of the villages and the tough geographical terrain of the country.[84]

The final survey, which is also representative at the dzongkhag level and by rural and urban areas, contains 7,142 respondents with fully completed questionnaires, and 7,114 questionnaires with a successfully completed Time Use section.[85]

Karma Wangdi of the Centre for Bhutan Studies, who categorized the raw data into the voluntary work categories, kindly provided the Time Use and Community Vitality data on voluntary work for this report. It was not possible to separate the data into formal and informal voluntary work categories because very little formal voluntary work was reported. According to Karma Wangdi, most of the formal

voluntary work was involved with litter clean-up campaigns and work for religious institutions.
The Time Use section of the 2010 GNH Survey is the only data source available that provides *voluntary work hours*, which are necessary to enable even a basic economic evaluation of voluntary work in Bhutan.[86, 87]

The Time Use section of the CBS GNH Survey used a 24-hour reference period, and asked respondents to report the activities they performed "yesterday," starting with when they woke up, and to indicate how long these activities took by giving the starting and ending times. This reference period was intended to capture all of the people who did voluntary work (and other activities) in Bhutan on a typical day during the year, since people should have little difficulty remembering their activities on the previous day.

Inevitably, the particular day of the week and the season during which the survey was undertaken will affect the results for voluntary work hours. For example, people with fulltime work may only have time to volunteer on weekends, which would only be seen if the survey was given on a Sunday or Monday, to capture voluntary work undertaken "yesterday" on a Saturday or Sunday.

Also, many typical volunteer activities occur seasonally, especially during school months, planting and harvesting seasons, and during annual religious festivals and rituals. Because the GNH Survey was conducted over a long period of time (April – December), the 24-hour reference period may well have captured most of these seasonal activities, with the exception of those occurring during the school winter break in January and February. The ILO *Manual*, discussed further in the next chapter, recommends adding a couple of questions to voluntary work surveys to account for seasonal differences.

According to Karma Wangdi, the following activities, which

were reported in the Time Use section of the GNH Survey, were counted as voluntary work:

1. Help provided during construction and renovation of a neighbour's house

2. Help provided to friends and neighbours in shifting house such as loading, unloading, and arranging household objects

3. Help provided to friends and neighbours during times of death such as conducting funeral rites

4. Help provided to friends and neighbours during celebrations such as weddings and birthdays

5. Help provided in teaching and taking care of friends' and neighbours' children

6. Help provided to religious personalities in providing food and other offerings

7. Preparation, serving and clearing of meals for religious personalities and during religious events in communities
8. Help in construction and renovation of religious establishments

9. Fetching water and firewood for religious personalities, religious establishments, and religious events

10. Students performing 'social works' such as participation in Socially Useful Productive Work (SUPW) in schools

11. Participation in clean up campaigns

12. Participation in fundraising events

13. Participation in search and rescue operations for missing persons and during accidents and natural calamities

14. Help in drawing agreements (*genja*) and drafting applications (*zhu-yig*) for illiterates

15. Clearing footpaths

16. Volunteering to guard public infrastructure and religious monuments.

The above list includes both formal voluntary activities (e.g. in religious institutions, schools, and clean up campaigns), and informal voluntary activities (e.g. help provided to friends and neighbours during times of death or weddings). However, given the growing number of civil society organizations (CSOs) in Bhutan, the long tradition of voluntary work in the culture, and the importance people place on helping others, it appears that some of the voluntary work that occurs in Bhutan is not represented in the above list.

For example, many activities that have been identified as voluntary activities in Bhutan, as noted in the previous chapter, are not included in the above list. These omitted activities include visiting and caring for the elderly, caring for the sick and disabled, help with planting and harvesting, working with CSOs and non-registered non-profit organizations as Board members or field workers, and parents working with teachers at school, helping with school programs such as coaching sports teams and singing and dancing performances. Thus, it is likely that voluntary work hours may be under-reported in the GNH Survey.

In addition to the information on voluntary work hours found in the Time Use section of the GNH Survey, other information concerning volunteer activity can be found in the Community Vitality section of the survey. But there are some caveats concerning these data as well. The Community Vitality section asked whether or not the respondent contributed unpaid voluntary help during the past 12 months (question #162), but it did not define "unpaid voluntary help" as work done outside one's own household and *not* for one's own household. The Survey did, however, give the instruction not to consider *woola* (non-voluntary unpaid labour) as part of voluntary work.

Thus, it is not clear whether or not respondents included unpaid help within their own households (e.g. helping a family member with farming or weaving) as being unpaid voluntary help, even though such unpaid household work is outside the actual definition of voluntary work.

The Community Vitality section of the GNH Survey also asked respondents to estimate *how many days* they spent "doing voluntary activity on your own" in the past 12 months (question #164). However, it is not clear what "on your own" implies, and whether this phrase refers to voluntary work not done in any formal organization.

Also, the 12-month time frame referenced in this question is a very long time to be able to remember, and few people would be able to accurately recall on how many days they had helped others. Most people might remember prominent occasions where they might have helped, such as a death or a religious ceremony, but might not recall ordinary daily activities of helping others. Thus, the responses to this question likely seriously underestimated voluntary time, due to the quantity and wide of range of un-recalled activities.

In addition, according to the Centre for Bhutan Studies, the results for question #164 on number of days on which voluntary activity was performed showed that respondents averaged 9.47 days of voluntary work per year. However, we do not know how many hours of voluntary work those days included.

The Community Vitality section also listed 14 voluntary activities — shown in Table 2 below — and asked those respondents who said they had given people unpaid voluntary help in the past 12 months to indicate if they had provided any of these activities (question #163 — "What kind of help did you provide?").

Again, however, the list of activities does not specify that the activity had to take place outside the respondent's own household. For example, "labour during annual *choku* in a household in village", "labour contribution during paddy plantation and harvest", "labour during times of death in a family", "labour to house construction", or "labour to house repair" could all have been unpaid labour contributed within one's own household — which should not then be counted as voluntary work.

Thus, it is difficult to draw conclusions from the voluntary work data generated by this section of the GNH Survey. However, the data still do provide important information on the distribution of unpaid work in Bhutan, such as that over three-fourths of the people contributing such unpaid work help during times of death in a family, and over half contribute to religious activities.

Table 2. Results from 2010 GNH Survey, Community Vitality section, Q. 163: What kind of help did you provide?

Voluntary activities	**% of number of volunteers**	
	No	**Yes**
Labour contribution during times of death in a family	23.68	76.32
Labour during annual *choku* in a household in village*	29.95	70.05
Labour during rituals	34.58	65.42
Labour to house construction	45.34	54.66
Labour contribution towards construction/renovation of religious establishments (e.g. *goendey, shedra, lhakhang* and *chorten*)	47.85	52.15
Labour to house repair	59.48	40.52
Labour contribution during paddy plantation and harvest	64.06	35.94
Labour contribution for religious figures	66.22	33.78
Labour for *thungchu* [drinking water supply]	71.56	28.44
Clean-up campaign	73.43	26.57
Labour for construction/repair of irrigation channel	79.10	20.90
Fund-raising	92.26	7.74
Teaching	95.17	4.83
If "Others" please specify	97.52	2.48

* As reported in one description: "The *Choku* is a two-day [or more] annual religious ceremony held at the homes of Bhutanese families to offer prayers of thanks for the blessings of the past year and to ensure wellbeing in the future. Monks are invited to perform rites and rituals and ceremonies at the home. On the second day villagers participate and enjoy great feasts. After the feast local woman sing and dance. All Bhutanese families have annual *chokus* attended by their neighbors." http://bhutansiam.com/culture.html.

4.2 Determination of a replacement cost wage

In estimating the economic value of voluntary work, one needs not only the total annual number of voluntary work hours in Bhutan, such as that determined from data in the Time Use section of the GNH Survey, but also a suitable wage to use as a replacement cost for these hours. Replacement costs reflect the amount of money it would cost to hire someone for pay to do the work the volunteer is doing for no pay.

The different types of replacement costs and valuation methodologies are discussed in the next chapter of this report. Here we note simply that, because of data limitations, we have used a *generalist* replacement cost wage rate to estimate the economic value of voluntary work in Bhutan. "Generalist" rates are very basic rates such as the average gross wage of the community or, according to Salomon, et al., "some cruder estimate of a wage that might be considered a reasonable proxy for the work of volunteers."[88] In its *Handbook on Non-profit Institutions in the System of National Accounts,* the United Nations Statistics Division recommends using the average gross wage, or something similar that would be conservative and "toward the low end of the income scale but not at the very bottom."[89]

Determining an average gross wage for Bhutan is difficult, because persons who are considered employed full time do not necessarily receive a wage. As noted in the Bhutan Labour Force Survey (BLFS):

> According to ILO standards and United Nations 1993 System of National Accounts, work includes any kind of works or businesses including collecting water or firewood, cow herding, tailoring or making mates, etc. even for the households' own consumption.[90]

According to these definitions, activities counted as work or employment includes:

- Growing or gathering crops from the field, producing eggs, milk, food, cow herding, etc.

- Milling and other food processing activities, milling grains, making butter and cheese, brewing local wine, etc.

- Yarning and weaving clothes, making baskets and mats, peat making, tailoring, and making furniture, etc.

- Construction of own house/buildings, major renovation of private roads and other private facilities.

- Fetching water, cutting or collecting firewood.

- Activities of a religious order such as a Rimdro, rituals etc.

Activities not counted as work or employment in these official definitions includes:

- Preparing and serving meals.

- Unpaid family activities (baby-sitting, training and instructing children, transporting household members/goods, repairing household durables, vehicles or other goods, etc.).

According to the 2010 Bhutan Labour Force Survey, out of 320,900 employed persons in the country, 41.5% are *unpaid* family workers, who are both agricultural and non-agricultural workers.[91] As noted, employed persons do not

have to be paid in cash. For example, the BLFS defines employed unpaid family workers as:

- Unpaid family worker (Non-agriculture) – A person who helps in an economic enterprise operated by a member of his/her family without payment of wages or salary in the non-agriculture sector. (e.g. a daughter who helps in hand-loom weaving or shopkeeping, etc.).

- Unpaid family worker (Agriculture) – A persons who helps in an economic enterprise operated by a member of his/her family without payment of wages or salary in the agriculture sector. (e.g. a wife who helps her husband in the apple farm or in cultivation of rice).[92]

Skilled agricultural workers represent 67% of Bhutan's employed persons, and of these, 64% are unpaid. In fact, the 80,300 regularly paid employees in Bhutan represent only 25% of the employed work force.

In sum, this very large proportion of unpaid workers in Bhutan makes it very difficult to determine an "average gross wage." For that reason, we have here followed the United Nations Statistics Division's recommendation to use a conservative replacement wage for voluntary work that is "toward the low end of the income scale but not at the very bottom."[93]

Among the regularly paid employees in Bhutan, the lowest paid government employees — Grade 5 in the National Workforce (NWF) — are the regularly paid elementary service personnel who are gardeners, caretakers, sweepers, night guards, entry level carpenters, masons, etc.[94] Thus, in lieu of an average gross national wage, we have used the wage earned by Grade 5 of the National Workforce (NWF) as the generalist replacement cost wage for the purposes of

valuing voluntary work hours in this report. The Grade 5 NWF wage is Nu 165 per day, or Nu 25.38 per hour based on an average working day of 6.5 hours or 32.5 hours per week, which, according to Centre for Bhutan Studies staff, is the general working time in Bhutan based on 7 hours per day in the summer and 6 hours per day in the winter.[95] According to the 2010 Bhutan Labour Force Survey report, almost half (49.8%) of full-time employed persons actually work less than 30 hours a week, and an additional 3.2% work between 30 and 39 hours per week.[96]

As noted, the Grade 5 NWF wage is the lowest wage category for unskilled government service personnel, but it is not the minimum wage, which is only Nu 100 per day. Although the Grade 5 NWF wage was raised in 2011 from Nu 100, which was the lowest minimum NWF consolidated wage in 2010, it was thought that the Nu 165 daily rate would provide a more accurate, yet still very conservative, evaluation in line with the United Nations Statistics Division's recommendation to use a low (but not the lowest possible) wage.

4.3 Results for the economic value of voluntary work in Bhutan

4.3.1 Hours of voluntary work and monetary estimation

In estimating the economic value of voluntary work in Bhutan, we used two data sets — one from the Time Use section of the 2010 GNH Survey and one from the Community Vitality section of the same survey, which was used as a sensitivity test — and two different estimation methods, which are explained below. These methods resulted in both high-end and low-end estimates for the economic value of voluntary work in Bhutan in 2010.

The 2010 economic value of voluntary work in Bhutan using the Time Use section data of the 2010 GNH Survey was about Nu 320.5 million or US$7.0 million, while the value using the Community Vitality section data was lower — about Nu 169.2 million or US$3.7 million.

The Time Use section of the survey showed the total annual hours of voluntary work to be about 12.6 million hours, while in the Community Vitality section, we estimated the total annual hours of voluntary work to be about 6.7 million hours. The result of using two different data sets and two different estimation methods therefore resulted in a range of results that is quite conceivable.

However, the latter value from the Community Vitality section is almost certainly an underestimate, because it is based on long-term memory recall, with volunteers in the survey reporting that they undertook voluntary work on an average of 9.47 days in the last 12 months. As noted above — with the exception of extraordinary activities such as labour contributed towards building construction or assistance rendered during times of death — it is difficult to recall all of one's activities over such a long period, especially ordinary, informal voluntary activities like helping an elderly neighbour with occasional chores. Such long-term recall is especially challenging during the course of a long survey when one does not have much time to think about it. Thus, it is highly likely that if the volunteers remembered the many times they had helped a friend or neighbour, they would have reported more than the average of 9.47 days on which they reported doing some voluntary activity over a 12-month period.

Given that one day's reporting ("yesterday") will be much more accurate (in terms of recall) than thinking back over a whole year, the 12.6 million hours from the Time Use

section of the GNH Survey and the economic value of Nu 320.5 million are likely to be much more accurate than the lower results from the Community Vitality section.

Table 3 below shows the results of using both the Time Use and Community Vitality sections of the survey. The results are for the total population of Bhutan aged 15 and over (by gender and rural/urban areas), average per capita minutes and per volunteer minutes of voluntary work per day, total annual hours of voluntary work, and the estimated annual economic value of voluntary work in both ngultrum and US dollars.

When the Time Use data from the survey were averaged over the entire 2010 adult population of Bhutan aged 15 and over (482,750 people), the per capita result showed the average voluntary work time to be 4.3 minutes per day or 26.15 annual hours per capita. According to the Time Use data, therefore, the Bhutanese populace contributed a total of 12.6 million hours in 2010 to voluntary work helping those in need, caring for their environment, and contributing to local communities and to society in general. (Thus, 4.3 minutes per person per day — averaged over the entire population 15 and older — x 365 days x 482,750 people = 757,676,125 minutes divided by 60 minutes per hour = 12,627,935 hours.)

Based on a replacement cost of Nu 25.38 per hour as discussed in section 4.2 above, the results show that voluntary activity is worth at least Nu 320.5 million per year to the Bhutanese economy. In other words, if these volunteers had not contributed their services for free, it would have cost about Nu 320.5 million for the government, private organizations, or businesses to replace this labour for pay. This is still a very conservative estimate, since it is based on a low replacement cost wage and what is likely an incomplete list of voluntary activities, as discussed above.

When the Time Use data are broken down by gender, males, who comprise 53% of the Bhutanese population aged 15 and over, contributed 63% of the total annual voluntary hours, or about 8.1 million total annual hours of voluntary work. Females, who comprise 47% of the population aged 15 and over, contributed 37% of the total annual voluntary hours, or about 4.7 million total annual hours of voluntary work. This voluntary work has an economic value of about Nu 205 million for males and Nu 119 million for females.

Although the survey does not ask direct questions that would shed light on why there are more male volunteers than females, one reason may be that more than half of the volunteers reported helping in house and religious building construction and repair and in other areas that require heavy physical labour. These are activities where more men generally participate than women.

The Time Use data also show that rural residents, who comprise 65% of the population aged 15 years and over, contributed about 75% of the voluntary work in 2010 — worth about Nu 231 million, while urban residents, who comprise about 35% of the population aged 15 years and over, contributed about 25% of the voluntary work — worth about Nu 76 million.

The data from the Community Vitality section of the 2010 GNH survey show that 54% of respondents representing 260,685 people aged 15 and over said they undertook some unpaid voluntary activity on an average of 9.47 days in the past 12 months. As noted above, we need to assume that this help was for those outside of the respondents' own households. However, because we do not know how many minutes or hours the volunteers who responded in the Community Vitality section worked for free on each of the days on which they did some voluntary work, we used the

Time Use survey data on minutes per day that the actual volunteers worked (rather than the per capita minutes used in the above estimation which relied solely on the time use data). This enabled a second estimate of the annual economic value of voluntary work in Bhutan using the Community Vitality data.

In the Time Use section of the GNH Survey, volunteers reported that they worked an average of 162 minutes per day (i.e. "yesterday"), or 2.7 hours per day. This is taken here as a proxy for the average hours of voluntary activity contributed on any particular day that volunteers actually performed voluntary service. This 2.7 hour/day average is therefore extrapolated from the Time Use survey to the Community Vitality section of the GNH Survey in order to assess the value of voluntary work using the latter data set.

Thus, according to the Community Vitality section of the survey, since 54% of Bhutanese aged 15 and older (or 260,685 people) volunteered in 2010, and each of those people reported doing voluntary work an average of 9.47 days a year, we can estimate the total annual number of volunteer hours in Bhutan using those data to be 6.7 million hours [162 minutes per day x 260,685 people x 9.47 days] / 60 minutes = total annual hours of voluntary work]. Using this alternative estimation method and the replacement cost wage of Nu 25.38 per hour resulted in a lower-end estimate for the total annual economic value of voluntary work of Nu 169.2 million.

According to both the Community Vitality and Time Use sections of the survey, there are more male than female volunteers in Bhutan. In the Community Vitality section, 59% of males in the total Bhutanese population aged 15 and over (150,994 males) responded that they had given people unpaid voluntary help in the past 12 months, compared to 48% of females (108,877 females).

Based on the average minutes per volunteer per day reported in the Time Use section of the survey, it may be estimated that male volunteers worked 189 minutes (or 3.15 hours) per day on 9.47 days per year, and females put in 124 minutes (or 2.07 hours) of voluntary activity per day on 9.47 days per year. The number of days per year is not broken down by gender for the purposes of this estimation. Using the same method as above to combine voluntary participation rates from the Community Vitality section of the survey with Time Use data on minutes per volunteer resulted in a valuation of voluntary work in 2010 of Nu 114.3 million for males and Nu 54.1 million for females.

As noted above, the contribution of voluntary labour demanding physical strength, such as construction and renovation work, may be one reason why more males than females provided voluntary labour. As shown in Table 2 above, data from the Community Vitality section of the survey reveal that over three-fourths of the volunteers (76%) contributed labour during times of death in a family, but over half (54%) contributed labour to house construction. Also over half of the volunteers contributed labour towards religious rituals (during annual *chokus*–70%; and during rituals–65%) or towards construction/ renovation of religious establishments (e.g. *goendey, shedra, lhakhang* and *chorten*–52%).

However, construction and renovation work are also large and memorable jobs and therefore more likely to be reported, while helping a neighbour who is ill or taking care of a friend's children might not be as memorable, and thus might not have been reported. Therefore, more information is needed to know whether males, do in fact contribute more voluntary work in Bhutan than do females.

Table 3. Estimated economic value of voluntary work, Bhutan, based on 2010 GNH Survey data

Volunteer characteristics	Total population aged 15 and above	Total voluntary work			
		Per capita minutes per day of voluntary work	Per capita annual hours of voluntary work	Total annual hours of voluntary work	Economic value of voluntary work, 2010 (Ngultrum and US$)
Based on Time Use section of survey:					
TOTAL	482,750	4.30	26.15	12,627,935	Nu 320,496,990/ US$ 7,017,025
Gender					
Male (53% of pop aged 15+)	255,922	5.18	31.52	8,064,529	Nu 204,677,746/ US$ 4,481,255
Female (47% of pop aged 15+)	226,828	3.39	20.65	4,677,760	Nu 118,721,549/ US$ 2,599,313
Area					
Rural (65% of pop aged 15+)	310,622	4.81	29.28	9,089,059	Nu 230,680,317/ US$ 5,050,561
Urban (35% of pop aged 15+)	168,483	2.93	17.84	3,003,069	Nu 76,217,891/ US$ 1,668,730

Based on Community Vitality section of survey:	Total population aged 15 and above	Total number of volunteers	Annual number of days per volunteer / Minutes per day per volunteer from time use data	Total annual hours of voluntary work	Economic value of voluntary work, 2010 (Ngultrum and US$)
TOTAL: based on volunteer rate of 54% of population, aged 15 and over	482,750	260,685	9.47 days/ 162 minutes	6,665,455	Nu 169,169,248/ US$ 3,703,825
Male–based on volunteer rate of 59% of male population, aged 15+	255,922	150,994	9.47 days/ 189 minutes	4,504,227	Nu 114,317,269/ US$ 2,502,885
Female– based on volunteer rate of 48% of female population, aged 15+	226,828	108,877	9.47 days/ 124 minutes	2,130,868	Nu 54,081,430/ US$ 1,184,070

Notes: Economic value is based on a daily wage replacement cost of Nu 165/day or 25.38 Nu/hr for an unskilled National Workforce (NWF) worker (Category V). The daily wage rate was converted to an hourly wage rate by dividing the daily wage rate by 6.5 hours, based on 7 hours/day in summer and 6 hours/day in winter, following advice received from Centre for Bhutan Studies researchers. Average 2010 US exchange rate: US$1 = Nu 45.6742.

Number of volunteers in the Community Vitality section of the GNH Survey is based on the 54% of respondents who answered that they had given people unpaid voluntary help during the past 12 months (Q162).

Sources: Voluntary work time data (minutes and hours) are from the Time Use section and number of days volunteered per past 12 months are from the Community Vitality section of the 2010 GNH Survey, Centre for Bhutan Studies; Minimum daily wage for NWF, Category V from: Ministry of Labour and Human Resources. EOM/11/150. "Circular. Sub: Revision of National Workforce (NWF) Wage Rates." July 15, 2011; Population aged 15 and over data are from: National Statistics Bureau. 2007. *Projected Populations Bhutan 2005–2030: Based on Population and Housing Census of Bhutan 2005*, Royal Government of Bhutan. http://www.nsb.gov.bt/pub/phcb/Population%20Projections%20of%20Bhutan%202005-2030.pdf.; and rural/ urban population are from: National Statistics Bureau. 2008. *Dzongkhag Population Projections 2006–2015: Based on the Results of Population and Housing Census of Bhutan 2005,* Royal Government of Bhutan. http://www.nsb.gov.bt/pub/phcb/dpp2006-2015.pdf.

In sum, based on voluntary labour alone, the aggregate economic value of voluntary work in Bhutan for 2010 is estimated to be Nu 320.5 million or US$7.0 million, which, for reasons given above, we consider to be more accurate than the low-end estimate of Nu 169.2 million. Given the low replacement wage used and the likely omission of several key categories of voluntary work, even this Nu. 320.5 million figure represents a conservative estimate of the monetary amount that would have to be paid in the government and private sectors to replace existing voluntary work in the nation.

No economic value for voluntary activity is reflected in the GDP, employment statistics, sectoral output measures, or in any of the standard economic accounts. The Nu 320.5 million amounts to about 0.44% of the 2010 GDP in Bhutan, which was Nu 72,478 million at Current Prices.[97] To put this into context, the entire hotel and restaurant business in Bhutan was worth 0.84% of the GDP in 2010.

In addition, based on a 40-hour work-week and 48 weeks per year, the 12.6 million hours of voluntary work is the equivalent of about 6,500 full time jobs. Based on a 32.5-hour work-week and 48 weeks per year, the 12.6 million hours of voluntary work is the equivalent of about 8,100 full time jobs.

As previously noted, the total of 12.6 million annual hours of voluntary work reported in the Time Use section of the GNH Survey, on which the above comparisons are based, seems very low when other evidence is considered — including reports in articles on mutual support in Bhutan,[98] the 54% of the population in the Community Vitality section of the survey who said they had given unpaid work during the past 12 months, and the growing number of CSOs that use volunteers.

Also, as discussed above, many of the informal voluntary activities traditionally done for others in Bhutan were not among the activities listed by respondents in the Time Use survey as having been performed "yesterday", such as visiting and caring for the elderly, caring for the sick and disabled, help with planting and harvesting, working with CSOs, and parents working with teachers at school and helping with school programs. When these factors are considered, it is likely that the current 12.6 million hour annual estimate for voluntary activity may be a significant underestimate, and the actual economic value of voluntary work may be considerably higher than indicated here.

Comparing the total results of the Time Use section of the GNH Survey with results from an economic valuation of voluntary work done in Nova Scotia (N.S.), a Canadian province with a population of 940,000, gives another clue that the results for Bhutan might be low. In N.S., volunteers contributed about 135 million hours of voluntary work annually — which is about 10 times the reported number of 12.6 million annual hours in Bhutan. In addition, the replacement cost for this work in N.S. was estimated at about 10% of GDP — about 20 times higher a proportion than our present estimates for Bhutan.

The elevated number of hours of voluntary work reported in N.S. might have been captured by the different methodology used in the Time Use survey there. In N.S., respondents kept a time use diary for two days, and wrote down their activities as they were doing them. Therefore, there was no need for recall. In a survey such as the GNH Survey that asks about 250 questions on a large number of topics and takes about three hours to complete, it is conceivable that many activities will be left out when respondents are asked to report what they did yesterday,. And when asked to report how many days of voluntary activity they did in the past 12 months, most likely only the most prominent were recalled. Certainly much of the ordinary informal volunteer work, such as helping a neighbour, would not be remembered, likely leading to an underestimate of voluntary time.

Another reason for the differences in voluntary work as a percentage of the GDP in these two studies might be accounted for by the difference in valuation methodologies. In Nova Scotia, higher specialist rather than generalist replacement cost values were used for valuing formal voluntary work, whereas the generalist replacement cost method was used for all voluntary work in Bhutan at an estimated rate of just Nu 25.38 per hour or Nu 165 per day. As discussed in section 4.2 above, this rate is the lowest

wage for unskilled persons working in the National Work Force, and was used in lieu of an average wage, since in Bhutan only 25% of employed persons are regularly paid a wage.

Although the Nu 320.5 million estimate for the value of voluntary work in Bhutan might be a low estimate for all the reasons described, the valuation effort itself still marks an important starting point in recognizing the value of Bhutan's rich store of social capital. Measuring voluntary work brings policy attention to its valuable contribution to social capital and to the nation's wealth.

The conservative valuation and preliminary analysis further recognizes that the measurement and valuation methodologies can be strengthened over time. To that end, the following chapter discusses these methodologies for estimating voluntary work and provides recommendations for data collection that the United Nations International Labour Organization is currently urging nations to adopt in order to generate comparable cross-national data. Such improvements over time will provide ever more accurate estimates and assessments of the value of voluntary work in Bhutan and its contributions to the nation's wealth.

4.4 Capturing the full value of the voluntary work economy

Replacement cost valuations measure only the labour input dimension of the actual value of voluntary services. Our Nu 320.5 million economic valuation of voluntary work in Bhutan would be much higher if the full value of voluntary services were included, as described below.

4.4.1 Labour input measures

By valuing only the labour inputs into voluntary services, this study therefore measures the value of voluntary work

performed rather than the values of the services provided or the economic contribution of the volunteer sector as a whole.

As discussed above in section 4.2, labour inputs into the voluntary work economy are valued here using the *generalist replacement cost* method, which yields lower, and therefore more conservative, estimates of value than other methods described in the next chapter on methods. The replacement cost generalist method assesses what it would cost to replace unpaid voluntary work production in the market at the average hourly rate paid for unskilled elementary occupations.

Other labour input methods require more specific data than is currently available in Bhutan, and generally yield higher estimates.

For example, the *specialist replacement cost* method more accurately values the actual jobs that volunteers do, and therefore uses the higher wages of the skilled labour required to perform those functions. For example, the volunteer treasurer on a CSO board of directors may perform highly skilled accounting, bookkeeping, and budgeting functions that would fetch a high salary if they had to be replaced for pay. Achieving the greater accuracy of such specialist replacement cost methods, however, requires a detailed survey of the voluntary sector that yields an inventory and breakdown of the numbers of volunteers doing specific jobs and the wage paid for the corresponding job in the market.

The *opportunity cost* method, by contrast, assesses the value of volunteer work hours according to what those volunteers would have been paid for those hours in their normal job or field of work. Opportunity cost valuations require a different kind of voluntary sector survey data that provide a profile of the volunteers themselves and particular

information on their normal employment status and income. Such data are rarely available in sufficiently detail to undertake opportunity cost valuations.

The replacement cost method, and specifically the specialist replacement cost method if data are available, is therefore the method recommended for use by the ILO, since data for this method can be most easily collected through general, national surveys.

It should also be noted that these estimations account only for non-paid voluntary activity but exclude the work of paid staff of formal volunteer organizations. There is currently no way to aggregate the wages of CSO staff in Bhutan to arrive at a figure for the total economic contribution of volunteer-based organizations.

4.4.2 Other factors of production

Measuring *labour* inputs alone, however, fails to capture either the full process of delivery of voluntary services or the value of volunteer output or production, because many other important inputs and contributing factors to production are not included in this estimate. Thus, measuring labour inputs alone, no matter which method is used, also results in a very conservative estimate of the voluntary work economy from the perspective of the voluntary services actually delivered.

Thus, labour inputs, as currently used to value volunteer work, are actually only one of several factors of production, which might also include land and the buildings within which production takes place, capital equipment and machinery used, entrepreneurial ability and skills, and resource and energy use.

In assessing the cost and value of market economy outputs, GDP considers all the factors of production, which include

but are not limited to labour inputs. Our earlier notation that the economic value of voluntary work in Bhutan is equivalent to 0.44% of the country's GDP is therefore somewhat misleading, since voluntary work services (as an output) would equate to a considerably higher proportion of GDP value when all production factors are considered.

4.4.3 Voluntary service production outputs

In sum, while it uses labour as one of its key inputs, the voluntary work economy also produces *outputs* of goods and services, which could potentially be measured if accurate data on all the factors of production were available. This method of measuring the value of voluntary work, often called the *social benefits* approach, yields a direct valuation of production outputs, which compares the economic value of unpaid voluntary production with goods and services that are exchanged for money.

This method therefore assesses the equivalent market price that would likely be paid for voluntary work outputs, or what recipients of the service would have been willing to pay to receive it. This value can also potentially be estimated by what is currently paid in the market economy for similar services offered for pay.

Thus, equivalent outputs to those produced by volunteer labour are included in the GDP when sold in the market economy, but similar outputs provided for free, and the means of their production — such as voluntary labour — are invisible and ignored in GDP measures. The United Nations has recognized this anomaly and, in 2003, advised countries to include a non-profit institution (NPI) satellite account with their System of National Accounts that would include the value of both paid labour in NPIs and formal volunteer labour, as well as the outputs of volunteer labour in NPIs, so long as these outputs can be disaggregated from paid-labour outputs to prevent double-counting. To this

end, the UN has provided a fully elaborated NPI satellite account structure, and also a "fall-back", simplified, short-form that focuses "on only the most essential or readily available variables and relationships that can be used until the full elaboration becomes feasible."[99]

The UN NPI satellite account only includes formal volunteer work and does not consider the informal volunteer labour and outputs that are directly given to others outside of one's own household. Such informal voluntary work is far more important in rural regions and developing nations than formal volunteer work, and so the UN NPI satellite account will miss most voluntary activity in developing nations. As well, Bhutan's new National Accounts go far beyond the notion of "satellite accounting" altogether by including economic valuations of voluntary work directly in the core central accounting system itself.

4.4.4 Out-of-pocket expenses

In addition to the labour input and aggregate output measures described above, there are other practical valuations beyond labour inputs that could be undertaken more readily, which would also increase the economic estimates of the value of voluntary work. For example, the generosity of Bhutanese volunteers is not limited to time.

Although data are not available to estimate the specific monetary contributions of volunteers, volunteers generally pay a considerable amount of money in non-reimbursed, out-of-pocket expenses to perform their voluntary work. For example, volunteers may need to purchase uniforms or clothing to work in formal organizations such as hospitals, basic health units, or schools; they may pay for child care while volunteering; and they frequently pay for transportation to get to and from the volunteer work site.

If we were able to take these expenses into account, we might find that they were considerable. In one jurisdiction in Canada (Nova Scotia) with a population of just 940,000, volunteers contributed an additional $128 million annually to the provincial economy in out-of-pocket expenses.

4.4.5 Donations

Bhutanese people also donate money and goods to registered civil society organizations (CSOs), other voluntary organizations, religious institutions, and individuals. The Community Vitality section of the 2010 GNH Survey asked whether the respondent donated money or goods in the past 12 months — to religious establishments, religious rituals, other families (e.g. during times of death, etc.), individuals other than relatives, educational institutions, NGOs (e.g. Tarayana, VAST, etc.), or others — and, if yes, the amount of money or value of the goods donated.

When these data become available from the Centre for Bhutan Studies, they could be added to the estimate of the economic value of the voluntary economy provided above to give a more complete picture of "voluntary giving" in the Kingdom of Bhutan. Such generosity (both labour and financial) is surely a hallmark of a GNH society and deserves to be explicitly acknowledged and recognised in the country's official measures and accounts.

4.4.6 Other benefits of voluntary activity

Voluntary activities also provide other benefits to society that could be measured in a full cost valuation if data were available. For example, the formal voluntary sector also makes an important indirect contribution to the market economy by providing training in technical and office skills, management and organization, communications, fundraising and interpersonal skills, as well as work experience and

specialized knowledge of particular subject areas. As a secondary and largely unintentional benefit, the civic and voluntary sector is clearly a vital and "free" training ground for the market economy, providing valuable skills, knowledge and expertise applicable to paid work.

Many forms of voluntary work make direct contributions to society and provide services to the economy that would have to be replaced by paid labour if they were withdrawn. However, some informal voluntary work also enables others to take paid jobs, which in turn contributes to GDP growth. For example, the largely invisible network of unpaid child care provides paid work opportunities for many mothers, but only the formal paid child care industry is registered in the official accounts and appears in the GDP statistics. Without this voluntary childcare, female labour force participation would likely be considerably lower, directly impacting economic growth rates.

In addition, many Bhutanese every year informally provide unpaid voluntary help to others operating a business or doing farm work. This contributes to the viability of many operations, increases output, and provides spin-off benefits to the market economy.

And most importantly, providing both formal and informal voluntary help contributes to social capital, i.e. civic engagement, community solidarity, and social cohesion in innumerable ways, as has been mentioned throughout the report — as well as to the happiness and wellbeing of volunteers themselves. Abundant evidence now shows volunteers to have stronger feelings of life satisfaction and wellbeing than those who do not volunteer. In all the ways described, voluntary activity is a profound and highly valuable contributor to the nation's social capital, wellbeing, and overall wealth, and to a GNH society.

5. METHODS OF EVALUATING VOLUNTARY WORK

5.1 Volunteer rate

The volunteer rate, or percentage of volunteers in the population (aged 15 and above), conveys the scale and extent to which the population engages in voluntary work. This is a simple mathematical calculation that divides the number of volunteers in the country, as identified by survey data, by the relevant population (those aged 15 and above). The rate includes the total population above the minimum age in order to capture those volunteers who are "economically inactive" in addition to those who volunteer over and above their work in the market economy.

5.2 Monetary valuation methods

As previously discussed, one of the reasons for estimating the economic value of voluntary work is so that this estimate can be incorporated into the social capital accounts of Bhutan's new National Accounts. That, in turn, will shine a spotlight on the generosity of volunteers, as a genuine marker of a GNH society, and will officially value their vital contribution to the nation and to their communities.

There are basically three general approaches to estimating the economic value of voluntary or other unpaid work, of which two are input methods and the third is an output method: the *opportunity cost* method, the *replacement cost* method, and the *social benefits* method. The input-based methods, especially, have been criticized for not being able to capture the full scope of voluntary work or the services it contributes to society, due to the focus of these methods on only one factor of production – namely labour. But Salamon et al. justify the use of these methods as follows:

> While it is true, as some argue, that market wages may not reflect the full range of tangible benefits of volunteering to

> society, such as the value of occupational skill development, work-life experience, the contribution to civic engagement and community solidarity, disaster relief, or the protection of civil and human rights, this shortcoming is shared by all input-based measures of individuals' contributions to the economy so it does not put the replacement cost/observed market wages method at a disadvantage vis-a-vis valuations of paid work.[100]

The *opportunity cost* method, which is rarely used, assesses the value of voluntary work on the basis of the anticipated hourly earnings of volunteers in their own normal fields of work, or what they would have been paid if they had generated their regular income while doing the voluntary work. Therefore, this method estimates the monetary value of volunteering to the volunteer him or herself. A difficulty with this method is that a highly paid professional may have volunteered to do the same work as a homemaker or cleaner, for example, in which case the alternative paid job of the professional would be a high wage, whereas that of the homemaker or cleaner would be zero or a very low wage.

The *social benefits* approach is an output-based method that measures the societal benefits the volunteer produces. If an observed market value of what has been produced is known, this value can be used to estimate the economic value of volunteer production. Or, when no market value can be determined, the recipients of the volunteer work could be asked what they would be willing to pay for the goods and services rendered. This approach, however, is not feasible for valuations based on large-scale surveys, because the valuations require additional data beyond what surveys can supply.

The input-based *replacement cost* method, which is used in this study for estimating the economic value of volunteer hours, reflects the hourly wage rate that would be paid to replace the voluntary activities at market prices for the same types

of work. Thus it reflects the amount of money it would cost to hire someone for pay to do the work the volunteer is doing for no pay. This method is taken as the most common proxy for the value of voluntary activity to the recipient of the work, and to society at large. Various types of wage rates can be used in the replacement cost valuation method. The ideal method, or *specialist* approach, is based on detailed information about the specific volunteer work performed, identifying the occupation that comes closest to the volunteer work performed, and using the equivalent pay for each of these specific jobs to value the volunteer work. Thus, *specialist* rates value the different types of work according to the hourly rates paid to employees in similar occupations. Survey data in Bhutan do not yet provide information to enable specialist replacement cost valuations.

The ILO *Manual* recommends using the specialist wage rates, which it calls the "full replacement cost method." This method uses "the actual wage for the occupation and industry of the work performed to each hour volunteered."[101] ILO notes that:

> [T]he term 'wage' is used in a general way to include any payment as a result of employment. There are various international concepts relating to wages and the most commonly measured, and therefore preferred, relates to 'gross earnings,' [which are amounts paid before any deductions are made for tax, insurance, etc.] ....
>
> In addition to the more refined estimates of the replacement wage used to impute the value of volunteer work, the new dataset resulting from this *Manual* will offer occupational code assignments that are likely to differentiate skill levels more clearly than has been the case in the past.[102]

However, in the absence of *specific* specialist replacement cost data that require a detailed profile of different voluntary activities and the time spent on each, *generalist*

and/or *average* specialist wages can be used. Thus, if data limitations make the full replacement or specialist cost method not feasible, then the recommendation is to use the best data available, such as average wages by industry or by occupation; or high, medium- and low-skilled worker rates; or a minimum wage, such as the official minimum wage, or the minimum wage of a low-paying occupation.

Generalist replacement cost rates are very basic rates such as the average gross wage of the community or, according to Salomon, et al, "some cruder estimate of a wage that might be considered a reasonable proxy for the work of volunteers," to be conservative.[103] In its *Handbook on Non-profit Institutions in the System of National Accounts,* the United Nations Statistics Division recommends using the average gross wage, or something similar that would be conservative and "toward the low end of the income scale but not at the very bottom."[104]

Average specialist rates are average wages in the field in which the volunteer is working, or some other closely-related field. These rates can be estimated by looking at the market value of the type of work that volunteers actually do in the *formal* volunteer sector.

However, voluntary work done *informally* is often of the domestic or manual variety, e.g. cooking, cleaning, or shopping for a sick neighbour, helping with farm chores, etc. This informal voluntary work often requires less skill or expertise than the formal volunteer work offered through organizations, so it is usually valued in replacement cost valuations at a lower rate of pay — e.g. cooking and cleaning for a sick neighbour would cost less to replace in the market economy than, say, the volunteer treasurer of a board of directors.

Thus, informal voluntary work is often valued at the generalist replacement value that is also used to value

unpaid household work (which is a lower hourly rate and more similar in type to a lot of informal voluntary work), while the average specialist replacement value is often used to value formal voluntary work.

An average specialist replacement cost value (from perhaps a related field such as social service) could also be used for all voluntary work with the understanding that the potential overestimate can likely be balanced by other omitted contributions to voluntary services. For example, the omission of out-of-pocket expenses incurred by volunteers, which are likely to be considerable, will produce underestimates in voluntary work valuation estimates. Out-of-pocket expenses of volunteers — including for example the cost of transportation to get to meetings and assignments, equipment, materials, supplies, and sometimes even uniforms as volunteering at hospitals may require, etc. — are sometimes added to the total value of voluntary work when survey data on these contributions are available. The underestimation that occurs by not adding such out of pocket expenses may help balance the overestimate that results from using the specialist replacement method rather than the generalist replacement method for the total value of voluntary work.

As previously noted, the generalist rate used to value voluntary work in this report is Grade 5 of the National Workforce (NWF) wage, which is Nu 165 per day or Nu 25.38 per hour, based on an average day of 6.5 hours.[105] This is the lowest wage category for elementary government service personnel, and includes entry level wages for gardeners, carpenters, masons, cleaners, night watchmen, etc.[106] Although this wage was raised in 2011 from Nu 100, which was the lowest minimum NWF consolidated pay wage in 2010, it was thought that the Nu 165 daily rate would provide a more accurate, while still very conservative, evaluation.

5.2.1 Replacement cost methodology used to calculate the value of voluntary work

The basic methodology used in this report, which is based on a replacement cost valuation technique, is very simple, only requires knowledge of basic mathematics, and uses existing time use survey data from the Centre for Bhutan Studies' GNH survey:

1. Establish the average time (minutes per day) spent on voluntary work per person aged 15 years and older, as provided in the CBS time use survey.

2. Multiply by 365 and divide by 60 to get total average volunteer hours per year per person aged 15 years and older, as derived from the daily numbers of volunteer minutes in the CBS time use survey.

3. Multiply the total average volunteer hours per year per person by the Bhutanese population aged 15 and over to get the total volunteer hours given by all volunteers within the population aged 15 years and older.

4. Multiply this product by the average hourly wage or by a wage at the low end of the wage scale (replacement cost methodology). This yields a conservative estimate for the total annual economic value of voluntary work in Bhutan based on what it would cost to replace those services in the market economy.

In this report on the value of voluntary work in Bhutan, we have used a replacement cost value of Nu. 165 a day, which is the lowest (category 5) wage for the national work force in Bhutan. This amounts to Nu. 25.38 an hour based on an average 6.5 hour working day, as advised by researchers at the Centre for Bhutan Studies.

A more precise method for calculating replacement cost values for voluntary work, if data were available, would be to distinguish "specialist" from "generalist" replacement cost values. Such a distinction would produce a considerably higher estimate for the economic value of voluntary work in Bhutan than the one provided in this report.

The *secialist replacement value* of voluntary work can be estimated by looking at the market value of the type of work that volunteers actually do in the *formal* volunteer sector, rather than by the average low-end market wage that we have used. For example, the contribution of the volunteer treasurer of the Board of Directors of a civil society organisation (CSO) like Tarayana in making budgets, keeping accounts, and preparing the CSO books for audit by the Royal Audit Authority would be calculated by how much it would cost to pay for those accounting services in the market economy. That 'specialist' service would cost considerably more to replace, for example, than someone cleaning up after a community event.

Such 'specialist cost replacement values' for formal volunteer work can only be estimated on the basis of an actual survey and study of voluntary-based civil society organisations in Bhutan to assess the work that these volunteers actually perform. Such a study does not yet exist.

By contrast to such formal voluntary work done through established CSOs, voluntary work done *informally* is often of the domestic variety, e.g. cooking, cleaning, or shopping for a sick neighbour, helping with farm chores, etc. This informal voluntary work often requires less skill or expertise than the formal volunteer work offered through organisations, so it is usually valued at a lower rate of pay. In other words, such informal voluntary work would cost less to replace in the market economy than, say, the volunteer treasurer of a board of directors as described above.

Thus, informal voluntary work is often valued at what is called the *generalist replacement value* that is also used to value unpaid household work. This 'generalist replacement value' often approximates the market value of domestic labour like housecleaning services or paid child care, which constitutes a considerable portion of the informal voluntary work offered directly to sick, elderly, or disabled individuals in need of help. The hourly generalist replacement cost value is clearly always considerably less than the hourly specialist replacement value.

Since data are not yet available in Bhutan to apply different hourly pay scales to the formal and informal voluntary sectors according to specialist and generalist replacement values respectively, we have used the Nu. 25.38 / hour value for *all* voluntary work in Bhutan.

To be even more conservative, we could have used the minimum wage of Nu 100 per day, or just Nu. 12.5 per hour based on an 8-hourwork day for all voluntary work.[107] However, investigations indicated that use of this minimum wage would have very severely underestimated the actual value of voluntary work in Bhutan, and is also contrary to explicit advice in the United Nations Statistics Division's *United Nations Handbook on Non-Profit Institutions in the System of National Accounts*, and we therefore used the Nu. 25.38 / hour value as the closest approximation of a conservative replacement value that might be applied to the voluntary sector as a whole (formal and informal combined.).

It should be noted that such replacement cost values should always be expressed in the ngultrum/rupee value in the year of the survey on which the primary data are based. Therefore, if the data are for 2010, as is the case with the latest CBS time use survey data, then the ngultrum (rupee) value needs to be adjusted to 2010 ngultrum (rupee) values using the Consumer Price Index.

Unpaid work valuations using replacement cost methodologies as outlined above inevitably underestimate the actual value of the services performed by volunteers. In the market economy, and in GDP valuations, the value of those services is determined not only by labour inputs (as we are doing here) but also by capital and other inputs. Indeed, GDP can grow even with job losses if productivity gains result from capital and technology improvements.

If data were available, therefore, a more accurate way of valuing the services performed by volunteers, and one more comparable to GDP values, would therefore be to value "outputs" rather than just one key input (albeit a major one) — namely labour. Despite promising work undertaken at the United Nations, by the International Association for Time Use Research, and others, data limitations and methodological obstacles do not presently allow such output valuations for unpaid work here.

Other potential valuation methodologies include "opportunity cost" valuations where, instead of measuring the replacement value of voluntary work for performance of the same services in the market economy, we instead use the profile of volunteers themselves to look at what they would be earning in their regular jobs if they put in the same number of hours in those jobs as they are currently contributing in the voluntary sector.

Studies show that opportunity cost values yield considerably higher valuations than replacement cost values, primarily because many volunteers are highly skilled, educated, and socially committed individuals, and also simply because most earn a lot more on an hourly basis than the low Nu 25.38 hourly rate used in our replacement cost valuation (which amounts to only about Nu 4,000 a month).

Far more detailed analyses and correlations of the CBS time use data with other socio-demographic and living standard

sections of the GNH survey would allow for development of such a detailed profile of Bhutan's volunteers, including their location, their age, gender, education, and experience, their present work and income, and other key characteristics. That profile in turn could be used to develop opportunity cost estimates for the value of voluntary work in Bhutan.

Finally, one way of at least beginning to approximate the output value of the services that volunteers perform would be to conduct a very short survey of a reasonable sample of volunteers to assess what other inputs (aside from labour) are contributed in the performance of their work. For example, volunteers generally incur out-of-pocket expenses in the performance of their voluntary duties, such as the cost of transportation to get to meetings and assignments, equipment, materials, supplies, and sometimes even uniforms as volunteering at hospitals or clinics or in sports coaching may require. Adding such out-of-pocket expenses to labour input values would at least partially reduce the current underestimate based on using replacement cost valuations alone.

In sum, a range of further exploratory and research steps can be undertaken to produce ever more accurate and detailed estimates of the value of voluntary work in Bhutan. Including such valuations in the National Accounts provides the impetus required to study and understand the voluntary sector in the same depth and detail that we now devote to any other sector of the economy, such as manufacturing, farming, teaching, and tourism. So long as voluntary work remains unvalued, it receives inadequate attention and support in the policy arena. In a GNH society, valuing voluntary work is particularly important, as it makes a very significant contribution not only to Bhutan's economy but also to the health and wellbeing of communities, children and disadvantaged groups, the environment, spiritual and cultural life, and society at large.

In addition to the basic economic valuation of voluntary work described above, there are many further spin-off valuations and explorations that may be undertaken to provide even more detailed information to policy makers. For example, socio-demographic breakdowns of the voluntary sector, and research on the types of work volunteers do, the challenges they face, the relationship between the paid staff of CSOs and volunteers, and much more can help us understand this important sector better. For illustrative purposes, two examples for additional important valuations are briefly outlined here.

5. The calculations in the first four steps above assess the hours and value of voluntary work from the perspective of the volunteers themselves — i.e. how many hours are they putting in and what is the value of their time? This produces an understanding of the voluntary sector from the side of those *giving* voluntary services. However, it is also possible to use existing CBS GNH survey time use data to assess the contribution and value of voluntary work from the perspective of the population at large — i.e. reflecting those *receiving* voluntary services.

   The first step in that process is to divide the product of step 3 (total volunteer hours *given* by all volunteers within the population 15 years and older) by the *total population* (all ages) to get hours of voluntary services per capita. The reason to divide by the whole population is that some of the recipients of voluntary services (e.g. services offered at schools or in youth groups) are children. This per capita figure represents the *rate* at which voluntary services are *received* by the population at large.

6. In order to understand whether or not voluntary service hours have increased or decreased since a certain year, and what the economic value of that gain or loss might be, we need to know the number of voluntary service

hours per capita for each of the years under comparison. For that we need time series data than are not currently available, but which *will* become available with the next CBS GNH survey.

Once those comparative results are available, as they will be in the next GNH survey, we can then answer questions like: Had voluntary service hours per capita in 2013 been offered at the same rate as in 2010, how many hours would have been offered? And what gain or loss to the economy and society of Bhutan does that result represent when compared with the actual 2013 voluntary service hours?

To undertake this investigation, we would first take the voluntary service hours per capita in 2010 and multiply that number by the total population in 2013. This gives the number of voluntary hours that would have been offered in 2013 had voluntary services been offered at the same rate in 2013 as in 2010.

6a. We then multiply that result by the hourly replacement cost of voluntary work as described in Step 4 above. Since we are here intent on comparing the economic value of voluntary work hours in two separate years, we must take care here to choose to adjust the values for inflation using the Consumer Price Index, and thus expressing both 2010 and 2013 monetary values in either 2010 ngultrum *or* 2013 ngultrum. In other words Nu 25.38/hour in 2010 will be higher in 2013 due to inflation between 2010 and 2013.

6b. The next step in this comparison is to subtract the total number of voluntary hours *actually* offered in 2013 (calculated just as described in Step 3 above) from the result of Step 6 above (which is the number of voluntary hours that would have been offered had voluntary services been offered at the same rate in 2013 as in

2010). The difference is the gain or loss in voluntary services actually *experienced* ***by*** the Bhutanese population. Bear in mind that in this exercise we are looking at voluntary service hours from the perspective of recipients rather than givers to assess gains or losses in actual services received, and strengthening or weakening of Bhutan's civil society and voluntary sectors. That is why this particular analysis must account for Bhutan's population increase between 2010 and 2013, in order to assess whether the level of voluntary services (as assessed by hours given and received) is keeping pace with population gains.

6c. To get the monetary value of that 2013 gain or loss in voluntary services compared to the 2010 voluntary service rate, we can then either a) multiply the result of Step 6b by the hourly replacement cost, or b) subtract the result of Step 4 from the result of Step 6a above.

These additional example calculations are given here simply to illustrate the potential scope and policy utility of (a) such economic valuation exercises and (b) a deeper analysis and understanding of the voluntary sector altogether. Even minimal basic but vitally important data, as provided by the CBS GNH time use survey, are readily translatable into economic valuation terms in Bhutan's new National Accounts. Most importantly, these data open the gateway to a far greater appreciation of the vital productive value and social benefit of unpaid work contributions than is possible from current market-based GDP accounting mechanisms that ignore such important unpaid work contributions and thereby devalue them and render them invisible.

5.3 Out-of-pocket expenses and skills training

As previously noted, volunteers often incur out-of-pocket expenses necessary to conduct their activity, such as for petrol and transportation, food contributions, equipment

and supplies. These expenses can be estimated if the survey on which the economic valuation is based asks whether the volunteer has had expenses that were not reimbursed, and if so, how much the volunteer paid to cover those expenses. However, this information was not available to allow us to estimate out-of-pocket expenses for this report.

These expenses are already counted in the GDP, since they are market expenditures, while the value of voluntary hours is not counted. Nevertheless, non-reimbursed expenses are important to include in an economic valuation of voluntary work, if possible, in order to estimate more comprehensively the overall economic value of voluntary work to the nation, and because out-of-pocket expenses are generally not included in charitable contributions reported to the government.

The value of volunteer skills training to the market economy is also not assessed in monetary terms in this report. Future studies might attempt to value the cost to employers of comparable training in organization and management methods, office and technical skills, and other training currently provided by volunteer organizations. Far more precise data on the training programs themselves are needed before accurate monetization is possible.

5.4 Job equivalents

In order to calculate how many paid jobs would likely be created if voluntary work were to be replaced by the government or private sector, two calculations can be made — for full-time work and for a mixture of full- and part-time work. First, full-time job equivalents may be estimated by multiplying a 40-hour work-week by 48 weeks, to obtain an estimate of the yearly hours worked by many full-time employees (1,920 hours) after vacations, holidays and leaves are subtracted. Since the volunteer hours are all working hours, and do not include paid statutory holidays and annual

leave, we may subtract 20 days from the 52 weeks paid employment of full-time full-year workers to obtain an estimate of job equivalents based on volunteer hours. These 1,920 hours are then divided into the total annual hours contributed by volunteers, to yield the equivalent number of full-time jobs.

In this report, the above calculation was done based on the 40-hour work-week (8 hours per day) that is generally used in labour estimations, and also on a 32.5-hour work-week (1560 hours), based on an average work-week of 6.5 hours per day (7 hours in the summer and 6 hours in the winter). Based on a 40-hour work-week, the 12.6 million hours of voluntary work in Bhutan is the equivalent of about 6,500 full-time jobs, and based on a 32.5-hour work week, the 12.6 million hours of voluntary work is the equivalent of about 8,100 full-time jobs.

Second, since the number of jobs created by the replacement of voluntary work would actually correspond to a mixture of full-time and part-time jobs, an additional calculation could potentially be made based on the average hours actually prevailing in equivalent industries, if these data are available. For example, if 31% of jobs in health and social services are part-time, with an average work-week of 20 hours, these part-time hours can be taken into account alongside the full-time positions in that industry to yield a composite estimate of job equivalents. This additional calculation was not undertaken in this report.

5.5 Recommendations of the ILO's new Manual on the Measurement of Volunteer Work

As has been mentioned, in August 2011, the International Labour Organization (ILO) released its *Manual on the Measurement of Volunteer Work* for the 10-year anniversary of the United Nations' 2001 International Year of Volunteers (IYV). The *Manual*, which is available on the

Internet, was developed under the auspices of the ILO Department of Statistics by the Johns Hopkins University Centre for Civil Society Studies (JHU-CCSS) in collaboration with United Nations Volunteers (UNV) and an international Technical Experts Group assembled by the ILO.[108] It was written as a response to the United Nations General Assembly's resolutions calling on governments to "establish the economic value of volunteering" (2001) and to build up a knowledge base about volunteer work (2005).[109]

The ILO *Manual* also expands the recommendations included in the United Nations Statistics Division's 2003 *Handbook on Non-profit Institutions in the System of National Accounts,*[110] which suggests that national statistical agencies incorporate the value of formal volunteer work into the satellite accounts of non-profit institutions that countries are encouraged to produce.

The new ILO *Manual* is intended to be a systematic guide for countries to generate comparable data on volunteer work: "The objective is to make available comparable cross-national data on a significant form of work which is growing in importance but is often ignored or rarely captured in traditional economic statistics."[111] Thus, in the future, if countries follow the ILO recommendations for the measurement of volunteer work, this will allow data comparisons with other countries, which is important in the development of comparable national accounting systems that go beyond present GDP-based accounts.

The ILO developed several criteria for its approach to measuring voluntary activity. First, the data gathered need to be comparable between countries, so definitions, concepts, and methods need to be similar, and the approach should be one that can work in the widest range of countries, including developing countries. Therefore, sensitivity to regional conditions and cultures is important. The ILO

recommends including questions on voluntary work within existing surveys in order to make the data collection cost-effective and efficient. It recommends using a minimum number of questions that would maximize the information gathered. Also, in order to be reliable, the survey needs to have a representative sample of the population with sufficient coverage of persons aged 15 and over.

The ILO *Manual* provides a representative survey module, which is included in the Appendix of this report. The module suggests questions that can be incorporated into an existing survey — about frequency of voluntary activity, amount of time or duration spent doing voluntary work, type of work undertaken, and sphere of each activity.

The *Manual* also suggests methods of coding responses and other technical details, such as the range and number of prompts used, the reference period employed, and the classification system used to differentiate voluntary activities. Although it recommends wording for survey questions, the ILO also recognizes that countries may want to make changes in wording to ensure understanding in the local context.

The ILO highly recommends periodically incorporating the short volunteer supplement provided in the module specifically into *labour force surveys*, for the following reasons:

1. "They are among the most frequent and regular of all official data collection programmes.

2. They are household-based, thus making it possible to identify all persons engaged in work, including volunteer work, which is not done through easily identified, registered organizations.

3. They are better able to identify volunteer work carried out through registered organizations than are

the organizations themselves, which often do not keep comprehensive registers of their unpaid workers.

4. They cover the whole population in a country.

5. They generally utilize large samples.

6. They gather important demographic data on respondents.

7. They are managed by highly professional staff equipped to measure work and its characteristics.

8. They make it possible to observe volunteer work in the same classification framework as paid work, resulting in a complete picture of the labour market.

9. They facilitate accurate valuation of volunteer work.

10. They cover other aspects of work (paid employment, hours of work, unemployment, underemployment and employment-related income), making the coverage of volunteer work a natural extension and making it easier for respondents to recall episodes of volunteer work.

11. They already have procedures in place to handle bias and error and thus ensure reliability. [This is because participation in labour force surveys is often either highly encouraged or mandatory, whereas in smaller surveys those who volunteer have been found more likely to participate in the survey than those who do not volunteer.].

12. They offer a highly cost-effective way to capture at least a limited body of core information about the contours of volunteer work in a country.

13. They have been used successfully to collect data on volunteer work in a number of countries, including Canada and the United States, without negative impact on the labour force surveys and with high response rates on the volunteer components."[112]

The ILO does point out that using labour force surveys as a platform also has disadvantages such as limiting the range of issues that can be included.

However, the ILO acknowledges that some countries may prefer to incorporate the voluntary activity questions into general social surveys, time use surveys, or surveys specifically related to volunteerism that could capture more in-depth information. According to Salamon, et al., general social surveys would need to fit questions about voluntary activities within questions on a wide range of other topics, which might be cumbersome.

Salamon et al. also offer some objections to using time use surveys:

> This data source does not provide much information about the institutional settings in which activities of interest take place, such as the type of organization for which respondents volunteer, the types of jobs they performed, or the types of households that respondents helped (e.g., whether it was a household of a family member or someone unrelated to the respondent). Furthermore, activities that are infrequent or take relatively short time periods are often not reported separately, but aggregated with other activities. In addition, the relatively short, one-week reference period used for TUSs makes it possible that the count of people who engage in infrequent activities, such is volunteering, may undercount the actual amount when projected to an entire year because some people who report no volunteering during the reference period may volunteer at a later period.[113]

When countries do elect to use general social or time use surveys, the ILO strongly encourages that those surveys incorporate five key features of the survey module that are recommended in the *Manual,* so that the results are internationally comparable. The features include the following:

1. the widest possible population coverage, so as to capture all relevant components of the population;

2. the use of the definition of 'volunteer work' embodied in the survey module, as recommended in the ILO *Manual,* and of the terminology used to depict it [this definition was previously given in this report in section 3.1 above];

3. coverage of the core variables included in the recommended survey module:

    a. number of volunteers (aged 15 and over),

    b. number of hours volunteered,

    c. type of work performed (i.e. occupation),

    d. institutional setting of the work performed, if any (i.e. non-profit institution; for-profit business; government, community/cooperative, e.g. working with the community to build roads, wells, litter clean-up; or direct to other households),

    e. the field (industry) in which volunteer work took place (health, education, agriculture, etc.);

4. the capability to translate volunteer activities into standard occupational and industrial codes to allow

> for additional analysis of the labour market, including the assignment of an economic value to volunteer work.[114]

The core variables are considered to be the minimum needed to evaluate and analyse voluntary work. In addition to the core variables listed above, the ILO *Manual* suggests other data items that countries may want to include, which are described more fully in the *Manual*:

- On-going commitment to volunteering/ history of volunteering
- Reasons for volunteering
- How volunteers are recruited (by people or organizations)
- Social network and demographic predictors of volunteering (socioeconomic characteristics of volunteers)
- Characteristics of volunteers' relationship with the community
- Relationship between volunteers and donations of money
- Employer support for volunteering
- Barriers to volunteering/ reasons for ceasing to volunteer

It is also important to consider seasonal voluntary work, in order to take into account periods and seasons when voluntary work might be increased, for example during planting, harvesting, major religious festivals, etc. Also the

level of voluntary work might be affected by weather such as monsoons, and by natural disasters, floods, etc. Questions about volunteering during major events throughout the year, in addition to volunteering during the reference period, might therefore be included in the survey.

The ILO *Manual* assumes that most countries will incorporate the volunteer supplement into the labour force survey at most once a year. It therefore suggests that the reference period for questions on voluntary activity should be four-weeks, which "is long enough to capture irregular volunteer activity but not so long as to make recall unduly difficult."[115]

6. CONCLUSION AND RECOMMENDATIONS

Voluntary work in Bhutan provides critically important services to the nation that contributes to the standard of living, quality of life, social stability and economic wellbeing of the people and Kingdom of Bhutan. The strength of the network of community and non-profit organizations, including religious institutions, in the nation and the powerful commitment of the Bhutanese people to helping others constitute a vital social and economic asset that merits support and recognition.

The aggregate annual economic value of voluntary work hours in Bhutan is estimated at Nu 320.5 million for 2010, based on the average per volunteer population, aged 15 years and older, time commitment of 2.7 hours of voluntary activity on each day that such voluntary work was undertaken, as recorded in the 2010 GNH Survey time use section.

Despite the size, economic importance, and value of the volunteer sector in Bhutan and other countries, it is currently omitted from conventional accounts, which track only market activity. Both globally and nationally, what is

not measured remains largely invisible in the policy arena and is therefore undervalued. Consequently, lack of support may threaten the viability of organizations providing vital services, and may reduce the commitment of individuals to voluntary work.

If just a small proportion of the resources and apparatus countries currently devote to collecting data on the market economy were dedicated to tracking trends in vital non-market services like voluntary work, there would be an enormous improvement in the quality of information available on this and other important non-market sectors, and a dramatic increase in the visibility of volunteer work and the value assigned to it. That in turn would naturally lead to stronger public and policy support of voluntary work, increased attention and assistance to voluntary groups, enhanced financial security and viability for volunteer non-profit organizations, and thus an even greater contribution by this sector to the economy and society of nation states worldwide.

Through its new National Accounts, the Royal Government of Bhutan is taking a global lead in demonstrating the crucial importance of accounting for the value of natural, social, cultural, and human capital, in shining the spotlight on the vital contribution of non-market assets to the nation's wealth, and in laying the foundation of a new economic system that goes far beyond the current narrow materialist paradigm. The three initial example accounts released in February 2012 to demonstrate valuations in the field of natural, social, and human capital will gradually be improved and refined over time to produce ever more accurate valuations.

In the area of social capital illustrated in this report, the annual measurement and valuation of voluntary work in Bhutan, as recommended by the International Labour Organization, will be a very cost-effective investment in an

important asset in which the nation already has considerable strength. Explicitly valuing the services of the voluntary sector can also help shed light on critical links between the market economy and unpaid work in the country, and will deepen appreciation of the value of basic institutions such as the family, school, religious institutions and civil society organizations.

Above all, bringing the value of voluntary work into the new National Accounts will raise the profile of voluntary work from its current identity as isolated individual acts of "helping" into the broader framework of policy discussions on the national economy.

Recognition of the economic benefits and value of services provided by the voluntary sector does not diminish the primary goal of volunteers and volunteer-based organizations in rendering help and care or their underlying motivation of generosity. On the contrary, regularly measuring the value of voluntary work in the nation can serve to acknowledge Bhutan's growing civic consciousness and strength of civil society, which make such an important contribution to the quality of life, and that can contribute directly to future wellbeing and prosperity in the nation.

The current invisibility of voluntary work in conventional accounts worldwide also carries dangers. The voluntary work on which Bhutan and other nations depend so strongly cannot be taken for granted. In urban areas especially, overwork and time stress can easily crowd out the space required for voluntary activity. Bureaucratic delays in registering CSOs and unstable funding dependent on intermittent donations can threaten the financial viability of important volunteer organizations. And, more subtly over time, increased materialism, economic pressure, or a turning inwards towards the survival of one's immediate household can all undermine voluntary work and weaken civil society.

While the 2010 Centre for Bhutan Studies GNH Survey clearly indicates that voluntary activity is still strong in Bhutan, there is anecdotal evidence, especially in the country's urban areas, that such potentially disturbing trends may also be growing here. It is all the more important, therefore, to value explicitly the country's existing social capital assets and the services they provide. This includes measuring and tracking the health and viability of the voluntary sector, strengthening it further, and repairing any erosion that may have occurred as a result of modern trends.

In sum, the economic valuation of voluntary activity, as part of Bhutan's new National Accounts, will highlight both the direct and indirect contributions of the voluntary sector to society and to the economy of the nation. It will draw attention to the value of critical services on which we depend, and it will raise the profile of volunteer work from its current context as isolated individual acts of charity to the framework of policy discussions on the national economy.

By emphasizing the relationship between the paid and unpaid sectors of the economy, the new National Accounts will also point to the potential costs to government and the formal economy of any diminution of voluntary activity and to the cost-effective benefits of providing support to the voluntary sector and to civic and volunteer organizations. It is an arena in which the Kingdom of Bhutan is particularly well placed to take the lead internationally in a vital area recognized by the United Nations as being especially crucial for national and social wellbeing and sustainable development in the largest sense.

6.1 Summary of data and basic policy issues

6.1.1 Recommendations on data issues

It is quite clear from the evidence shown in this report that, so long as the value of voluntary services remain invisible in conventional accounting mechanisms, there will continue to be globally a serious shortage of good data on voluntary work, inadequate evidence on its rate of growth or decline, and insufficient value placed on the contribution of voluntary services to societies and nations. As a result, this vitally important sector is currently undervalued worldwide, and its relationship with the market economy is unclear.

As this report also shows, this shortcoming is easy to correct, and the Royal Government of Bhutan is taking a global lead in bringing the value of voluntary work directly into its National Accounts, so that proper weight can be assigned in the future to a powerful national asset and so that the country can further strengthen a sector in which it already has a long tradition.

A key recommendation of this study is that data on the voluntary sector should be updated regularly in order to maintain the visibility of voluntary work in the public eye and to emphasize its social and economic importance in the policy arena. This will be easily possible, since data from each new GNH Survey, with slight revisions according to the ILO guidelines, will also provide the basic information required to update the economic value of voluntary activity in the National Accounts.

However, the newly published International Labour Organization (ILO) guidelines will also allow the data hitherto collected to be expanded and improved in significant ways, and thereby to become increasingly comparable to the results of new data collection efforts worldwide.

In the absence of annual full-scale surveys of volunteer activity, the International Labour Organization (ILO) has recommended inserting a short voluntary work module into the labour force survey, which would cover the basic needs of voluntary work valuation efforts, connect voluntary work with paid work and the market economy, and make coding based on current job descriptions easier. This would also be cost effective and efficient, since the labour force survey is administered on a regular basis to a large sample of the entire population.
Alternatively, the ILO's recommended voluntary work survey module could also be placed into the existing GNH Survey to expand the present section on voluntary activity. However, considering the very large number of questions covering nine domains that need to be asked in this comprehensive survey covering all key dimensions of GNH, adding the ILO voluntary work module into this survey might not be feasible. Indeed, it might help relieve pressure on the current GNH Survey by shifting the voluntary work section to the Labour Force Survey.

The ILO *Manual on the Measurement of Volunteer Work,* which is intended to provide a systematic guide for countries to generate comparable data on volunteer work, is based on several criteria for measuring voluntary activity, including that definitions, concepts, and methods need to be similar between countries. To that end, the short survey module, which is reproduced in the Appendix of this report, recommends a minimum number of questions that would maximize the information gathered. These include frequency of the voluntary activity, amount of time or duration spent doing voluntary work, type of work undertaken, and the sphere of each activity. Thus the core variables include:

a. number of volunteers (aged 15 and over),

b. number of hours volunteered,

c. type of work performed (i.e. occupation),

d. institutional setting of the work performed (i.e. non-profit institution; for-profit business; government, community/cooperative, e.g. working with the community to build roads, wells, litter clean-up; or direct help to other households),

e. the field (industry) in which voluntary work took place (health, education, agriculture, etc.).

These core variables are considered to be the minimum needed to evaluate and analyse the voluntary work adequately and comparably across nations, but the *Manual* also suggests other data items that countries may want to include on an optional basis.

However, if it is not possible to collect data for the ILO's recommended core variables, then collecting data for the first two core variables listed above will at least provide the most basic measurements needed to maintain the economic valuations that will be an on-going component of the new National Accounts:

a. the percentage of the population 15 years and older engaged in voluntary work, *and*

b. the annual number of volunteer hours contributed.

Simple though they are, these two measures can serve as a proxy for the health of one vital component of social capital, and provide a quantifiable basis for comparison with other countries if they follow Bhutan's and other countries' lead in tracking these measures. Observing trends in voluntary activity over time can also indicate whether the network of voluntary civic and community organizations, as well as the direct, informal help Bhutanese give to others, is strengthening or weakening, and whether Bhutan is

successfully nurturing an existing asset.

6.1.2 Policy implications

Beyond the data collection itself, there are many policy implications that flow directly and naturally from the measurement and valuation of voluntary work. Stronger financial support can be provided to voluntary organizations where the delivery of essential services is more cost effective than it would be if the responsibility were shouldered by government or the private sector alone. Stronger public recognition of models of selfless and generous service on the part of the Bhutanese populace can also provide further appreciation of this vitally important national asset, and encourage others to contribute in the building of a genuine GNH society.

In sum, basic and provocative policy questions raised by voluntary work data and valuations include:

1. What are the critical services provided by civic and voluntary work in Bhutan and what is the actual economic and social value of voluntary services to the nation?

2. Are these services being adequately maintained over time, and are they affected by pressures like public sector cutbacks, funding constraints, and time pressures?

3. Will potential cuts in government services due to budgetary constraints need to be absorbed by voluntary workers, and is this possible?

4. Is there a growing use of volunteers to replace paid workers, and are some people volunteering in non-profit organizations because they cannot find paid work?

5. Will the nation regularly collect basic data on volunteer participation and hours in order to measure, track, value, and maintain the visibility of voluntary work?

6. How can the nation publicly acknowledge and reward the generosity of Bhutanese volunteers, ensure that voluntary organizations have the support and resources necessary to provide vital services, and otherwise maintain and expand the strength, contribution, and value of civic and voluntary work in the nation?

6.2 Beyond monetary valuation

As this study demonstrates, Bhutan's new National Accounts will assess the economic value of social and environmental assets using various methodologies, including by imputing market values to the services provided by our stock of human, social and environmental capital. This monetization is a necessary step in this day and age in order to overcome the current tendency to focus only on market values and therefore to undervalue the services of unpaid labour, natural resources and other "free" assets. It is necessary to make the contribution of natural, social, cultural, and human capital to prosperity clearly visible, and to bring these assets, and the services they provide, more fully into the policy arena.

However, in concluding this report, it is important to emphasize that the imputation of market values should be seen as a temporary measure only, and as a tool of communication with the world of conventional economics, rather than as an end in itself. It is necessary only while financial structures, such as prices, taxes and monetary incentives, provide the primary cues for the actual behaviour of businesses, consumers and governments. And

such monetization also serves to demonstrate the linkages and connections between non-market and market factors, such as the reality that depletion of a natural resource will produce an actual loss of value in the market economy.

We may acknowledge the absurdity of assigning monetary values to non-market assets, and yet we do so consistently in almost every sphere except for our economic accounts. We may pay a higher apartment rent for the aesthetic pleasure of overlooking a park rather than a busy street. Insurance companies determine premiums based on non-market risk assessments and assign monetary values to the loss of human limbs and lives. Courts make financial awards for grief and suffering, and, in Canada since the 1992 Canadian Supreme Court decision in the case of Verna Fobel, for lost capacity to do unpaid work. Without such monetary assessments, social and environmental assets will likely be undervalued and their loss inadequately compensated.

Ultimately, however, it must be recognized that money is a poor tool for assessing the non-timber values of a forest, the costs of pollution or global warming, the value of caring work, or the quality of education. A materialist criterion cannot adequately assign value to the non-material values that give human life meaning.

In the meantime, and only so long as market statistics dominate our economic thinking and our policy and planning processes — globally as well as nationally — economic accounts can therefore provide a useful tool for communication between the market and non-market sectors. Certainly accounting for the value of non-market assets and services will provide a more accurate measure of the nation's overall wealth than can ever be achieved by measures that omit critical social and environmental variables entirely. In the long run, by pointing to important linkages between the sectors, Bhutan's new National

Accounts can provide the lead internationally towards a means to move beyond monetary assessments to a more comprehensive and integrated policy and planning framework.

APPENDIX

Appendix 1: International Labour Organization's example tables

Source: International Labour Organization. 2011. *Manual on the measurement of volunteer work*. International Labour Office, Geneva, Switzerland. Available at http://ccss.jhu.edu/wp-content/uploads/downloads/2011/09/ILO_Manual_FINAL_8.29.2011.pdf.

Examples of volunteer occupations associated with ISCO-08 major groups

ISCO major group	Examples of volunteer occupations
1. Legislators, senior officials and managers	Lead or manage a nonprofit organization, association, union, or similar organization. Serve on a board of directors or management committee of an organization Policy and research managers
2. Professionals	Develop emergency preparedness plans for a community Provide pro bono legal or dispute resolution services Manage a programme or organisation designed to collect and analyze data for public information Provide professional social work and counseling services
3. Technicians and associate professionals	Provide emergency medical care Take the lead in planning, managing, or organizing an event Mentor Coach, referee, judge, or supervise a sports team Teaching, training, or tutoring
4. Clerks	Interview other people for the purpose of recording information to be used for research Provide clerical services, filing and copying Help to provide technical assistance at a sporting or recreational event
5. Service workers and shop and market sales workers	Prepare or serve meals for others Help to organize a funeral Contact people to advance a cause by going door-to-door Help with childcare and short-term foster care Provide personal care (e.g., bathing, cooking) for a person in another household
6. Skilled agricultural and fishery workers	Make improvements to the public green areas of your community, by planting trees and other nursery stock Help to transport, gather, or organize a community harvest
7. Craft and related trades workers	Construction, renovation and repairs of dwellings and other structures as help to other households Bicycle repair and maintenance
8. Plant and machine operators and assemblers	Drive others to appointments
9. Elementary occupations	Collect trash, garbage and sort recycling materials Help to clean up after a sporting or recreational event for public entertainment Donate blood or other biological material such as bone marrow or organs

Population age 15 and above, number of volunteers, volunteer rate, volunteer hours, and value of volunteer work, by type of volunteering and volunteer characteristics

Volunteer Characteristics	Total country population age 15 and above	Total volunteer work				Organization-based volunteer work				Direct volunteer work			
		Number of persons volunteering	Volunteer rate	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Volunteer rate	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Volunteer rate	Total hours volunteered, 12 months	Value of volunteer work
	A	B	C	D	E	F	G	H	I	J	K	L	M
TOTAL (unduplicated count)													
Sex													
Male													
Female													
Age													
15-24													
25-44													
45-64													
65+													
Marital status													
Never married													
Married													
Widowed, divorced, or separated													
Education													
No formal education													
Some primary education													
Some secondary education													
Some university education													
Labour force status													
Employed													
Unemployed													
Not in the labour force													
Household income (National median=													
Poor (less than 50% of median)													
Middle (50 to 150% of median)													
Well-off (over 150% of median)													
Presence of children													
No children present in household													
Children in household													
Ethnicity													
Categories ILO or local convention													
Other characteristics of local interest													
Categories ILO or local convention													
Note: Because a person may volunteer both for organizations and directly, the volunteer rate and the number of persons volunteering are not additive, i.e., B≠F+J and C≠G+K													

(ILO Table 7.2)

Number of volunteers, volunteer hours, and value of volunteer work, by type of volunteer occupation and sex of volunteer

Volunteer Occupations, ISCO	Total volunteer work			Organization-based volunteer work			Direct volunteer work		
	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work
	A	B	C	D	E	F	G	H	I
Total	*Same total reported in Table 7.2 Column B*			*Same total reported in Table 7.2 Column F*			*Same total reported in Table 7.2 Column F*		
1. Legislators, senior officials and managers									
2. Professionals									
3. Technicians and associate professionals									
4. Clerks									
5. Service workers and shop and market sales workers									
6. Skilled agricultural and fishery workers									
7. Craft and related trades workers									
8. Plant and machine operators and assemblers									
9. Elementary occupations									
0. Armed forces									
Men									
By ISCO categories as above									
Women									
By ISCO categories as above									

Note: Because a person may volunteer both for organizations and directly, the number of persons volunteering is not additive, i.e., A≠D+G

Note: Because a person may engage in more than one volunteer episode involving more than one occupation, the number of occupations reported will exceed the total number of volunteers in the country (as reported in 7.2 - Column B). Therefore, the totals recorded in columns A, D, and G should be taken from the corresponding totals in Table 7.2.

(ILO Table 7.3)

Number of volunteers, volunteer hours, and value of volunteer work, by industry of volunteer work and sex of volunteer

ISIC section	Industry of Volunteer Work, ISIC	Total volunteer work			Organization-based volunteer work			Direct volunteer work		
		Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered , 12 months	Value of volunteer work
		A	B	C	D	E	F	G	H	I
	Total	*Same total reported in Table 7.2 Column B*			*Same total reported in Table 7.2 Column F*			*Same total reported in Table 7.2 Column J*		
A	Agriculture, forestry and fishing									
B	Mining and quarrying									
C	Manufacturing									
D	Electricity, gas, steam and air conditioning supply									
E	Water supply; sewerage, waste management and remediation activities									
F	Construction									
G	Wholesale and retail trade; repair of motor vehicles and motorcycles									
H	Transportation and storage									
I	Accommodation and food service activities									
J	Information and communication									
K	Financial and insurance activities									
L	Real estate activities									
M	Professional, scientific and technical activities									
N	Administrative and support service activities									
O	Public order and safety									
P	Education									
Q**	Human health and residential care activities									
Q**	Social work activities without accommodation									
R	Arts, entertainment and recreation									
S**	Activities of business, employers and professional membership organizations and trade unions									
S**	Activities of religious organizations									
S**	Grantmaking and giving services									
S**	Activities of other membership organizations, n.e.c.									
S**	Other service activities									
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use									
U	Activities of extraterritorial organizations and bodies									
	Men									
	By ISIC categories as above									
	Women									
	By ISIC categories as above									

** Indicates a split of a section, division or group.

Note: Because a person may volunteer both for organizations and directly, the number of persons volunteering is not additive, i.e., A≠D+G

Note: Because a person may engage in more than one volunteer episode in more than one industry, the number of persons volunteering in different industries (Column A) will exceed the total number of volunteers in the country (as reported in 7.2 - Column B). Therefore, the totals recorded in columns A, D, and G should be taken from the corresponding totals in Table 7.2.

(ILO Table 7.4)

Number of volunteers, volunteer hours, and value of volunteering, by ICNPO field of volunteer work and sex of volunteer

ICNPO field	Industy of Volunteer Work, ICNPO	Total volunteer work			Organization-based volunteer work			Direct volunteer work		
		Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work
		A	B	C	D	E	F	G	H	I
	Total	*Same total reported in Table 7.2 Column B*			*Same total reported in Table 7.2 Column F*			*Same total reported in Table 7.2 Column J*		
1	Culture and recreation									
2	Education and research									
3	Health									
4	Social services									
5	Environment									
6	Development and housing									
7	Law, advocacy and politics									
8	Philanthropic intermediaries and voluntarism promotion									
9	International									
10	Religion									
11	Business and professional associations, unions									
12	Not elsewhere classified									
	Men									
	By ICNPO categories as above									
	Women									
	By ICNPO categories as above									

Note: Because a person may volunteer both for organizations and directly, the number of persons volunteering is not additive, i.e., A≠D+G

Note: Because a person may engage in more than one volunteer episode in more than one industry, the number of persons volunteering in different industries (Column A) will exceed the total number of volunteers in the country (as reported in 7.2 - Column B). Therefore, the totals recorded in columns A, D, and G should be taken from the corresponding totals in Table 7.2.

(ILO Table 7.5)

Organization-based volunteer work, by type of organization, type of volunteer occupation, and sex of volunteer

Volunteer Occupations, ISCO	Total organization-based volunteer work			Volunteer work for or through NPIs			Volunteer work for or through business			Volunteer work for or through government			Volunteer work for or through other organizations		
	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Total	*Same total reported in Table 7.2 Column F*			*Unduplicated count*			*Unduplicated count*			*Unduplicated count*			*Unduplicated count*		
Legislators, senior officials and managers															
Professionals															
Technicians and associate professionals															
Clerks															
Service workers and shop and market sales workers															
Skilled agricultural and fishery workers															
Craft and related trades workers															
Plant and machine operators and assemblers															
Elementary occupations															
Armed forces															
Men															
By ISCO categories as above															
Women															
By ISCO categories as above															

Note: Because a person may volunteer both for NPIs, businesses, government and other organizations, the number of persons volunteering is not additive, i.e., A≠D+G+I+M

Note: Because a person may engage in more than one volunteer episode involving more than one occupation, the number of persons volunteering for organizations (Column A) may not equal the total number of persons volunteering for organizations in the country (as reported in 7.2 - Column F). Therefore, the total recorded in column A should be taken from the corresponding total in Table 7.2. The totals in columns D,G,J and M should be unduplicated counts of the people volunteering in these categories.

(ILO Table 7.6)

Organization-based volunteer work, by type of organization, sex of volunteer, and industry in which volunteer work is done

ISIC section	Industry of Volunteer Work, ISIC	Total organization-based volunteer work			Volunteer work for or through NPIs			Volunteer work for or through business			Volunteer work for or through government			Volunteer work for or through other organizations		
		Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work	Number of persons volunteering	Total hours volunteered, 12 months	Value of volunteer work
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Total	*Some total reported in Table 7.2 Column B*			*Unduplicated count*			*Unduplicated count*			*Unduplicated count*			*Unduplicated count*		
A	Agriculture, forestry and fishing															
B	Mining and quarrying															
C	Manufacturing															
D	Electricity, gas, steam and air conditioning supply															
E	Water supply; sewerage, waste management and remediation activities															
F	Construction															
G	Wholesale and retail trade; repair of motor vehicles and motorcycles															
H	Transportation and storage															
I	Accommodation and food service activities															
J	Information and communication															
K	Financial and insurance activities															
L	Real estate activities															
M	Professional, scientific and technical activities															
N	Administrative and support service activities															
O	Public order and safety															
P	Education															
Q**	Human health and residential care activities															
Q**	Social work activities without accommodation															
R	Arts, entertainment and recreation															
S**	Activities of business, employers and professional membership organizations and trade unions															
S**	Activities of religious organizations															
S**	Grantmaking and giving services															
S**	Activities of other membership organizations, n.e.c.															
S**	Other service activities															
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use															
U	Activities of extraterritorial organizations and bodies															
	Men															
	By ISIC categories as above															
	Women															
	By ISIC categories as above															

** Indicates a split of a section, division or group.

Note: Because a person may volunteer both for NPIs, businesses, government and other organizations, the number of persons volunteering is not additive, i.e., A<D+G+I+M

Note: Because a person may engage in more than one volunteer episode in more than one industry, the number of persons volunteering for organizations (Column A) may not equal the total number of persons volunteering for organizations in the country (as reported in 7.2 - Column F). Therefore, the total recorded in column A should be taken from the corresponding total in Table 7.2. The totals in columns D,G,I,and M should be unduplicated counts of the people volunteering in these categories.

(ILO Table 7.7)

Appendix 2: International Labour Organization's survey module (for insertion into existing labour force or general social surveys)

Step or variable	Question	Coding
RS_RULE	*[Please indicate whether the information in this questionnaire pertains to the respondent him/herself or to other members of the household.]*	*01if respondent answers for him/herself* *02if other members of the household provide proxy response*
START	So far I have been asking you about paid work. The next few questions are about unpaid non-compulsory work that you did, that is, time you gave without pay to activities performed either through organizations or directly for others outside your own household. *[Note: Work is understood here to be an activity that could, in principle, be done for pay.]* *[Note: Reimbursement of expenses does not disqualify an activity.]*	n.a.
WORK_01	In the last four weeks [*provide dates marking the period*] did you spend any time on this kind of unpaid activity? *[If "Yes", proceed to WORK_02. If "No" or "Not sure", proceed to PROMPT_01]*	01 Yes 02 No 09 Don't know/Not sure
WORK_02	Please tell me what kind of unpaid work you did. Please mention as many activities as you can remember. Why don't you start with the unpaid work that [you did most recently/on which you spent the most time]. *[Record response verbatim for subsequent occupational coding.]* *If respondent mentions more than one type of activity, differentiate answers from WORK_02 to WORK_03 by a, b, c, at end of each stated activity*	WORK_021Record response verbatim. WORK_022Assign activity code from ISCO-88 Index
HOUR_01	I would like to determine the total number of hours you did this [*repeat back to the respondent the first activity they reported, then repeat HOUR_01 through TYPE_ORG04 for each additional activity mentioned*] in the last four weeks. Do you recall approximately how many hours you spent on this unpaid activity? *[If "Yes", record number of hours indicated and go to TYPE_ORG01. If "No", or "Not sure", go to HOUR_02* *If respondent reports a volunteer activity that is carried out concomitantly with paid work, then this activity would not qualify as volunteer work.* *If respondent reports a volunteer activity that is carried out concomitantly with unpaid work for a member of the respondent's household, then ask the respondent to estimate the amount of time attributable to the volunteer activity]*	Record response verbatim or enter estimation based on HOUR_01 and HOUR_03.
HOUR_02	If you do not recall the total number of hours, could you perhaps recall how many times you engaged in this activity in the last four weeks? *[Record response verbatim for subsequent frequency coding]*	Enter the number of times
HOUR_03	And how many hours did you spend doing this unpaid work [the last time you did it/on average each time you did it]? *[Record response verbatim]*	Enter the number of hours
TYPE_ORG01	Did you do this unpaid work for or through an organization? *[If "No", code [direct] and go to WORK_03.*	01 Yes 02 No 09 Don't know
TYPE_ORG02	What is the name of the organization for which you did this unpaid work? *[Record response verbatim for subsequent industry and sector coding. If more than one organization is mentioned, repeat questions TYPE_ORG03-04 for every organization.]*	TYPE_ORG021 Record response verbatim TYPE_ORG022 Assign industry code from ISIC, Rev.4 Index (leave blank if answer to TYPE_ORG-1 is "No" or "Don't know" TYPE_ORG032Assign sector code (leave blank if TYPE_ORG01 is "Don't know"

Step or variable	Question	Coding
		00 Direct volunteering (if TYPE_ORG01 is "No") 01 Charity/nonprofit organization/NGO/union/religious organization 02 Business 03 Government 04 Other, including community 09 Don't know/Not sure
TYPE_ORG03	*If name of organization is not in code book, or if no code book is used, ask* What does this organization do? ____(80 spaces) *[Record response verbatim for subsequent industry coding.]*	TYPE_ORG031 Record response verbatim TYPE_ORG032 Assign industry code from ISIC, Rev.4 Index (leave blank if answer to TYPE_ORG-1 is "No" or "Don't know"
TYPE_ORG04	I will now read you a list of four types of organization. Please tell me which best describes the organization for which you worked. A. Charity/nonprofit organization/NGO/union/religious organization B. Business C. Government D. Other, including community E. Not sure *[Record response verbatim for subsequent sector coding.]* *[If respondent mentions more than one type of activity, ask questions from HOUR_01 to* TYPE_ORG04 *for each activity separately. Then proceed to WORK_03]*	TYPE_ORG041 Record response verbatim TYPE_ORG042 Assign sector code (leave blank if answer to TYPE_ORG01 is "Don't know" 00 Direct volunteering (if TYPE_ORG01 is "No") 01 Charity/nonprofit organization/NGO/union/religious organization 02 Business 03 Government 04 Other, including community 09 Not sure
WORK_03	Is there any other unpaid non-compulsory time you gave without pay to activities performed either through organizations or directly for others outside your own household [*provide dates marking the period*]? *[If "Yes", go to WORK_02. If "No", proceed to END]*	01 Yes 02 No
PROMPT_01	Sometimes people don't think of some activities as unpaid work. I will read you a list of examples of this kind of activity. If you gave any time without pay to these activities during the past four weeks [*provide dates marking the period*], please respond with a "Yes" to each as I read them out. Otherwise, say "No."	n.a.
PROMPT_02	Did you do any unpaid work for a community organization, such as fundraising, providing administrative support, or serving on the board of a school, library, health care center, NGO, club, union, religious congregation, or association? ___ *Yes*/____ *No* *[Note: The specific examples of activity considered to be within the scope of the survey may vary from country to country. However the overall types of activity should remain the same in order to maintain international comparability.]*	01 Yes 02 No
PROMPT_03	Did you clean or improve your community (e.g. picking up rubbish) or work to improve the water supply, parks, or roads? ___ *Yes*/____ *No*	01 Yes 02 No

Step or variable	Question	Coding
PROMPT_04	Did you organize an event, such as a community gathering, a sporting or cultural activity, a religious celebration, or a political event to make others aware of an issue? ___ Yes/____ No	01 Yes 02 No
PROMPT_05	Did you provide any unpaid assistance to persons outside your household (such as the elderly, children, the poor or disaster victims), prepare and serve food, or transport persons or goods? ___ Yes/____ No	01 Yes 02 No
PROMPT_06	Did you conduct any unpaid coaching, officiating or counselling, or provide any free medical care or legal advice, or gather information or scientific data? ___ Yes/____ No	01 Yes 02 No
PROMPT_07	[*If respondent says "yes" to any one of the questions in PROMPT_02 to PROMPT_06, say:* **"You said that you [read back the examples provided for the questions they responded "Yes" to: 1. worked for a community organization, 2. worked to clean or improve your community, 3. worked to organize an event, 4. provided assistance to persons outside of your household, and/or 5. Provided coaching, counseling, medical legal, or food or transport services.]** *Ask questions from WORK_02 to* TYPE_ORG04 *for each activity. If respondent says "No", proceed to END]*	n.a.
END	**End of survey module**	n.a.

Additional questions if survey is annual

Step or variable	Question	Coding
SPECIAL	**Additional questions if survey is annual.**	n.a.
SPECIAL_01	People often do unpaid non-compulsory work just a few times a year for special events. In the past twelve months, did you give any time without pay to activities performed either through organizations or directly for others outside your own household for a special event that you have not reported on this survey because it did not take place in the past four weeks? *If "Yes", proceed to SPECIAL_02. If "No" or "Don't know/Not sure", proceed to END]*	01 Yes 02 No 09 Don't know/Not sure
SPECIAL_02	Please tell me what kind of unpaid work you did. Please mention as many activities as you can remember. Why don't you start with the work that [you did most recently/on which you spent the most time]. *[Record response verbatim for subsequent occupational coding.]*	SPECIAL_021 Record response verbatim. SPECIAL_022 Assign activity code from ISCO-88 Index
SPECIAL_03	I would like to determine the total number of hours you did this [*repeat back to the respondent the first activity he/she reported, then repeat questions from SPECIAL_03 to SPECIAL_09 for each additional activity mentioned*] in the last twelve months. Do you recall approximately how many hours you spent on this unpaid activity? *[If "Yes", record number of hours given, and then go to SPECIAL_06. If "No", or "Don't know/Not sure", go to SPECIAL_04* *If respondent reports a volunteer activity that is carried out concomitantly with paid work, then this activity would not qualify as volunteer work.* *If respondent reports a volunteer activity that is carried out concomitantly with unpaid work for a member of the respondent's household, then ask the respondent to estimate the amount of time attributable to the volunteer activity]*	Record response verbatim or enter the value estimated from SPECIAL_04 and SPECIAL)5

Step or variable	Question	Coding
SPECIAL_04	If you do not recall the total number of hours, could you perhaps recall how many times you did this activity in the last four weeks? *[Record response verbatim for subsequent frequency coding]*	Record the number of times.
SPECIAL_05	And how many hours did you spend doing this unpaid work the last time you did it [or on average each time you did it]? *[Record response verbatim]*	Record the number of hours
SPECIAL_06	Did you do this unpaid work for an organization? *If "No", code [direct volunteering] and go to END.*	01 Yes 02 No
SPECIAL_07	What is the name of the organization for which you did this work? *[Record response verbatim for subsequent industry and sector coding. If more than one organization is mentioned – repeat questions Special_08-09 for every organization]*	Record response verbatim TYPE_ORG071 Record response verbatim TYPE_ORG072 Assign industry code from ISIC, Rev.4 Index (leave blank if answer to TYPE_ORG-1 is "No" or "Don't know" TYPE_ORG072 Assign sector code (leave blank if answer to TYPE_ORG01 is "Don't know" 00 Direct volunteering (if TYPE_ORG01 is "No") 01 Charity/nonprofit organization/NGO/union/religious organization 02 Business 03 Government 04 Other, including community 09 Don't know/Not sure
SPECIAL_08	*If name of organization is not in code book, or if no code book is used, ask* What does this organization do? ____(80 spaces) *[Record response verbatim for subsequent industry coding.]*	SPECIAL_081 Record response verbatim SPECIAL_082 Assign code from ISIC, Rev.4 index (leave blank if answer to SPECIAL_06 is "No" or "Don't know
SPECIAL_09	I will now read you a list of four types of organizations. Please tell me which of these best describes the organization for which you worked. A. Charity/nonprofit organization/NGO/union/religious organization B. Business C. Government D. Other/Not sure *[Record response verbatim for subsequent sector coding.]* *[If respondent mentions more than one type of activity, ask questions from SPECIAL _03 to SPECIAL_09 for each activity separately].*	SPECIAL_91 Record response verbatim SPECIAL_92 Assign sector code (leave blank if answer to SPECIAL_06 is "Don't know" 00 Direct volunteering (if answer to SPECIAL_06 is "No") 01 Charity/nonprofit organization/NGO/union/religious organization 02 Business 03 Government 04 Other 09 Don't know/Not sure
END	**End of survey module**	n.a.

n.a. = not applicable.

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[96] Bhutan Ministry of Labour and Human Resources, BLFS. *Op cit.* Table 7: Percentage distribution of employed persons by hours worked during the past one week prior to the survey period by sex, 2010 – Bhutan.

[97] Bhutan National Statistics Bureau. *National Accounts Statistics 2010*. 2011. Royal Government of Bhutan. http://www.nsb.gov.bt/pub/nar/nar2011.pdf.

[98] Tashi Choden. 2003. "Traditional Forms of Volunteerism in Bhutan," Centre for Bhutan Studies. http://www.bhutan2008.bt/ndlb/typescripts/322/mng2-Volunteerism.pdf; Khenpo Phuntsok Tashi. 2005. "The Positive Impact on Gomchen Tradition on Achieving and Maintaining Gross National Happiness," *Journal of Bhutan Studies*, Vol. 12, Summer, pp 75-117. http://www.bhutanstudies.org.bt/pubFiles/12-4.pdf.

[99] United Nations Statistics Division. 2003. *United Nations Handbook on Non-profit Institutions in the System of National Accounts.* United Nations Department of Economic and Social Affairs. ST/ESA/STAT/SER.F/91. New York, p 6. http://unstats.un.org/unsd/publication/seriesf/seriesf_91e.pdf

[100] Salamon, Sokolowski, and Haddock. *Op. cit.* p 229.

[101] ILO. *Op cit.* pp 37–38.

[102] ILO. Ibid.

[103] Salamon, Sokolowski, and Haddock. *Op cit.* p 226.

[104] United Nations Statistics Division, *Op cit.,* p 70.

[105] The daily working hours of 6.5 hours is based on a 7 hour day in the summer and a 6 hour day in the winter. Personal correspondence with Centre for Bhutan Studies staff.

[106] Bhutan Office of the Attorney General. 1994. "Chathrim for Wage Rate, Recruitment Agencies and Workermen's Compensation. Royal Government of Bhutan. http://oag.gov.bt/wp-content/uploads/2010/05/Wage-Rate-Act-of-Bhutan-1994English-version.pdf.

[107] In 2007, the average income per person per day in Bhutan was Ngultrum (Nu) 40 and the average income in rural areas was even lower at Nu 33 per day. Original source: SNV. http://www.raonline.ch/pages/bt/ecdu/bt_ecostats03.html.

[108] International Labour Organization. 2011. *Manual on the Measurement of Volunteer Work.* International Labour Office, Geneva, Switzerland. http://ccss.jhu.edu/wp-content/uploads/downloads/2011/09/ILO_Manual_FINAL_8.29.2011.pdf.

[109] After the 2001 International Year of Volunteers (IYV), sponsored by the United Nations, the UN General Assembly adopted a number of

resolutions concerning volunteering. For a list of resolutions leading up to the IYV+10, see World Volunteers Web: http://www.worldvolunteerweb.org/iyv-10/resources/resolutions/print.html?type=98.

[110] United Nations Statistics Division. 2003. *Op cit.*

[111] ILO. *Op cit.* p. i.

[112] ILO. Ibid. p 9.

[113] Salomon. 2011. *Op cit.* p 234.

[114] ILO. *Op cit.* p 10.

[115] ILO. *Op cit.* p 44.