Civil Society – Why it Matters

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Civil society refers to the web of interpersonal connections that includes community engagement, volunteer work, social support networks, and groups of people who get together to help each other and benefit society. These connections can be completely informal, encompassing people in the village helping out those who are sick, elderly and disabled, or they can be formal through civil society organisations such as Tarayana, Youth Development Fund, Royal Society for Protection of Nature (RSPN), and Samdrup Jongkhar Initiative.

In theory at least, what all these activities have in common is that they are not run by government, they are not there to make a profit or get rich, and they exist to provide social benefit. In practice, of course, the dividing lines are not so clear. There are groups with royal patronage, many depend on government funding, and some may even be misused to further personal ambition. But it's fair to say, as surveys have also shown, that people attracted to civil society work generally do it because they care and want to help others.

What do these groups actually do? Volunteers in Bhutan coach and staff after-school sports activities, cook food for local festivals, fundraise for monasteries and youth organisations, 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, provide culture and arts programmes, protect the environment, and help each other in informal ways by caring for the sick, helping neighbours with planting and harvests, and much more.

So Why Isn't That Work Valued?

It might seem obvious to ordinary folk that these things matter. Obviously, they improve our quality of life. But the sad reality is that these activities are mostly hugely undervalued, if not ignored altogether, or regarded with immense suspicion – not only in Bhutan but worldwide. How does that happen and why?

First, let's look at how we count and measure what matters. Every nation measures its progress first and foremost by how fast the economy is growing. If Bhutan's economy grows by 8 percent or 9 percent a year, that's regarded as good news and the country is considered "better off". If growth shrinks to 1 percent or 2 percent a year, it's seen as a big problem, and if the economy stops growing or shrinks in size, it's really bad news. The tool we use to measure that economic growth is called "Gross Domestic Product" (GDP), and it counts the total value of all goods and services that Bhutan produces.

The problem is that GDP only counts goods and services exchanged for money, and so it ignores all voluntary work and most civil society activities. If you hire and pay someone to help addicts, GDP goes up and the economy grows. But all the work that Lama Shenphen does on the streets of Thimphu – saving lives by stopping youth from overdosing, getting them into rehabilitation programmes, finding them jobs, and much more – is invisible in GDP. It counts for nothing. Why? Because he does it for free and so it doesn't make the so-called "economy" grow!

Why do I say "so-called economy"? Because our definition of economy is way too narrow. What Lama Shenphen and thousands of other Bhutanese volunteers do is productive, economic activity. These volunteers provide services as surely as banks and insurance companies provide "services" that make GDP grow. In fact, if Lama Shenphen weren't doing what he does, it would cost the market economy a lot of money – in added hospital, police and prison costs, lost productive labour, and added social service costs.

In fact, volunteers save government, society and the "economy" the huge costs of having to provide those services for pay. Without that civil society work, our quality of life would become impoverished. No wonder the Fourth Druk Gyalpo bravely challenged the world's dominant measure of progress when he pronounced that "Gross National Happiness is more important than Gross National Product". Thirty five years later, the world sadly sticks to measures like GDP that ignore voluntary work and, therefore, grossly devalue the contributions of civil society.

But that's not the only reason civil society activities are not properly acknowledged. Bhutan had a long history of absolute monarchy in which benefits and services flowed from the top. True democratic culture, including active citizen participation, is still in its infancy in Bhutan. Communities are not yet used to taking the initiative and taking responsibility for their own future. By and large, people still depend on government to provide for all needs. Not only in Bhutan, but elsewhere in the world, civil society groups are often viewed with suspicion because they often step in where government has failed, and so their work may be seen as explicit or implicit criticism of government shortcomings. In Nepal, government earthquake relief efforts were often marked by corruption, delay, and mismanagement, while civil society groups with thousands of volunteers heroically brought relief to the most remote and hard-hit mountain villages. And sometimes these civil society groups criticise government overtly for failures in their sphere of interest.

Why Civil Society Matters

Precisely because of such challenges, it is necessary to spell out, and draw attention to the profound value both formal civil society organisations and informal volunteer networks are bringing to the kingdom of Bhutan.

Beyond the immediate social, environmental, cultural, and other benefits of particular kinds of civil society activity a widespread, independent, and active network of community

and voluntary organisations is also widely regarded as a critical indicator of healthy democracy. It 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.

Democracy, in other words, is more than just voting once every few years, and is not served by citizen passivity between elections. Democracy means taking active responsibility for our future. Indeed, as then GNH Commission Secretary Dasho Karma Tshiteem said, welcoming the launch of the Samdrup Jongkhar Initiative in 2010: "Government can't create a GNH society alone. We need active citizen participation."

For many social scientists, therefore, the strength of a society's commitment to civil society and community-based groups is a touchstone of social health, stability, and harmony, and a major contributor to social and community well-being.

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.

Jeremy Rifkin 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…. Each person giving of themselves to the community, maximises their own self-interest".

Rifkin recommends that schools not only train students for the market economy, but also encourage youth to "go out into their community, as part of their educational experience, and work in a non-profit neighbourhood organisation of their choice, to learn social capital". Also, he predicts 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[1].

In a 2007 book, Paul Hawken describes an emerging global civil society consisting of between one and two million volunteer-based non-profit organisations dedicated to protecting the environment, promoting social justice, and creating a better world.[2]

This apparently haphazardly-organised movement, Hawken says, is "the most complex coalition of organisations 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 governments and business to represent those needs and interests effectively.

1 Rifkin Jeremy, "The End of Work", New City Magazine, vol.17(4), Summer, 1997, pages 10-18.
2 Hawken, Paul. 2007. Blessed Unrest: How the Largest Movement in the World Came into Being and Why No One Saw It Coming. Viking Press. New York.

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.[3] 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, organisations and informal giving practices that people create to share resources and build attachments with others."[4]

For this reason, volunteer work is used by Statistics Canada and other statistical agencies as a key indicator of the kind of "supportive social environment" that can improve health.[5]

Why Count the Economic Value of Voluntary Work?

While contributing to health, democracy, and social harmony, and although motivated by generosity and care, civil society action 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.

However, the immense importance of voluntary work for the well-being 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. According to the International Labour Organisation, voluntary work "represents a more significant share of the workforce than is usually recognised" and "is often ignored or rarely captured in traditional economic statistics".[6]

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 utilised as a mechanism for addressing public problems.

3 See, for example: Mustard, J.F., and Frank, J. 1991. The Determinants of Health, (CIAR Publication No. 5) Canadian Institute for Advanced Research, Toronto.

4 Health Canada. 1999. Toward a Healthy Future: Second Report on the Health of Canadians, Ottawa, Ontario: Government of Canada, p. 60. http://www.phac-aspc.gc.ca/ph-sp/report-rapport/toward/report-eng.php.

5 Ibid, pp. 60–62.

6 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.

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". [7]

What's needed, Salomon says, is to put "the civil society sector on the economic map of the world.". 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.[8]

The immense contributions of civil society are still far from being visible on "the economic map of the world". However, Bhutan can be proud that it is one of the first countries in the world making the attempt to put voluntary community work at least on its own national economic map.

Counting the Value of Civil Society Services in Bhutan

Thus, in early 2012, Bhutan launched an effort to bring GNH principles and the value of the country's social and natural wealth into the National Accounts. Until that time, as in the rest of the world, the Accounts had been based only on narrow economic measures that ignore environmental and social wealth. Too often in conventional accounting systems, gains in material wealth registered in the country's national balance sheets not only ignore the contributions of civil society but are offset by unaccounted-for losses in natural wealth, such as the degradation and depletion of water sources, air quality, forests, soils, and fisheries.

To bring the value of Bhutan's natural wealth into the Accounts, a team of international experts worked with various Bhutanese agencies to estimate the economic value provided by Bhutan's ecosystem services at about US$15.5 billion/year. They found that most of that value was provided by Bhutan's forests.

Interestingly, 53 percent of those benefits accrue to people outside Bhutan, largely from climate regulation and carbon storage (US$3.5 billion/year) and tourism/recreation (US$2.5 billion/year). As well, the watershed protection and flood prevention provided by Bhutan's old-growth Himalayan forests are literally life-saving for the hundreds of millions of South and Southeast Asians dependent on Himalayan rivers originating in Bhutan. The results showed nature to be by far Bhutan's largest (albeit free) export.

7 Salamon, Lester M., 2010, "Putting Civil Society on the Economic Map of the World," Annals of Public and Cooperative Economics, 81: 2, pp. 167–210, p 167.
8 United Nations General Assembly. 2001. "UN General Assembly Resolution on Recommendations on Support for Volunteering," A/RES/56/38. Fifty-Sixth Session, Item 108 of the Agenda. Distributed 10 January 2002. http://www.worldvolunteerweb.org/fileadmin/docdb/pdf/2002/a56r038-e.pdf

The remaining 47 percent of ecosystem service benefits accrue to people inside the country, mostly through air quality regulation (US$2.5 billion), followed by pollination (US$1.1 billion) and food production (US$740 million).[9]

Clearly, the value of such a study is not only to demonstrate the enormous hidden economic value of nature's services that we assume to be "free" and that are entirely missed in GDP-based economic estimates. It is also to value the responsible guardianship of these resources that Bhutan has hitherto exercised, and to tell a cautionary tale of the huge costs both to Bhutan and far beyond if such stewardship were abandoned in the name of "modernisation", and if the environmental pillar of GNH was neglected. And therefore the study also makes a strong case for both global and national systems of "payment for ecosystem services" whereby local farmers, foresters and others are financially rewarded for their ecologically responsible practices.

Simultaneously, we estimated the value of voluntary work in Bhutan, in order to provide one example of how we might account for the economic contribution of civil society. We found that Bhutanese citizens freely serving their religious institutions, cleaning up litter, helping youth with drug problems, volunteering in schools and basic health units, helping sick and elderly neighbours and more, provide about US$6 million a year worth of voluntary services. This is what it would cost for Bhutan to replace those free services for pay.

The estimate was based on 2010 CBS GNH time use survey data showing that volunteers contributed an average of 9.5 days of civil society work a year, putting in an average of 2.7 hours per day on each day volunteered. We then simply calculated how much it would cost at current wage rates to pay for that work in order to provide the same services.[10]

Counting the economic value of civil society activity can help highlight its enormous contribution 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.

Civil Society in the Policy Realm

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 existing GDP-based accounts, the invisibility of voluntary work may lead to an ensuing lack of support for the civil society sector, which in turn may threaten the viability of voluntary-based organisations providing vital services to society.

9 The services provided by Bhutan's ecosystem and their estimated value for those outside and inside Bhutan are listed in Table 3, page e15: Ida Kubiszewski, Robert Costanza et al., "An initial estimate of the value of ecosystem services in Bhutan", Ecosystem Services 3 (2013) e11–e21. Available at: http://www.adaptation-undp.org/sites/default/files/downloads/an_initial_estimate_of_the_value.pdf

10 Hayward Karen and Ronald Colman, The Economic Value of Voluntary Work in Bhutan. Monograph No. 2, 2012, National Statistics Bureau, Royal Government of Bhutan. Thimphu.

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.

Monetising 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 that Bhutan started to institute in 2012 was precisely to draw attention to such hidden factors that directly impact happiness, well-being, and prosperity, and to make explicit the linkages between the economy and social and environmental factors.

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.

Policy makers have every reason to support the development and strengthening of the civil society sector. As noted in this paper, civil society activity contributes greatly to social cohesion and harmony, to the development of democratic culture, and to citizens taking responsibility for their future rather than simply passively depending on government.

The civil society sector addresses critical issues such as environmental protection, rural-urban migration, youth needs, elder care, and other vitally important services that contribute to the standard of living, quality of life, social stability, and economic well-being of the country.

In sum, the strength of the network of community and non-profit organisations 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 at the highest policy levels. The most potent symbol of that growing support and recognition was the granting of honours by His Majesty The King to 22 civil society organisations in December, 2016. The Druk Journal's decision to devote this entire issue to civil society is another compelling signal of wider acknowledgement of the vital importance of civil society activity to the well-being of the people and kingdom of Bhutan.