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Title:

Conceptualising the Economy-Society nexus in Well-being and Happiness initiatives: Gross National Happiness in Business in Bhutan and Social Impact Bonds in the UK

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Abstract:

This article explores how Well-being and Happiness (WBH) is conceptualized in different geographical contexts, and the ways in which this understanding is able to affect policy-making and engender social, economic and legal change. Whilst WBH initiatives seemingly stem from a shared critique of Gross Domestic Product (GDP) as a measure of societal ‘progress’, we show how, in itself, such critique cannot be the basis for understanding WBH as a unitary transnational phenomenon that offers a radical re-thinking of the relationship between economy and society. By focusing on two concrete instances and specific sites, that of the Social Impact Bond in the UK and the ‘Gross National Happiness in Business’ project in Bhutan, we argue that individual contexts and initiatives must be closely studied to understand their complexities, potential and limitations. Indeed, we suggest that conflations between different well-being agendas need to be avoided in order to pay closer attention to the ways in which well-being can be co-opted or fashioned through policy-making and government initiatives resulting in a marginalizing impact, particularly on certain constituents within society.

Keywords:

Well-Being, Gross National Happiness, Austerity, Bhutan, GNH, UK, Social Impact Bond, Social Reproduction, Economy and Society

Conceptualising the Economy-Society nexus in Well-being and Happiness initiatives: *Gross National Happiness in business* in Bhutan and Social Impact Bonds in the UK

Introduction

In this article we examine how wellbeing and happiness (WBH) is conceptualized in the UK and Bhutan, focusing on the ways in which the relationship between the economy and society is both understood and practiced. Our standpoint, which we borrow from constructivist approaches to political economy, is that economic and social as well as other factors (legal, environmental, cultural, spiritual etc.) are deeply interconnected rather than being stand-alone entities. The conceptual potential we see WBH having is that of putting forward a different understanding of the economy-society nexus, and therefore of political economy itself, one that does not assume a separation between the various spheres of life but is instead attentive to their co-production. As we shall argue this is particularly important from a theoretical perspective that sees the separation between the productive and social reproductive realms as generative of a particular economy-society nexus, one that ends up privileging the ‘economic’ sphere identified with the generation of growth and profits through competition, whilst placing the other spheres at its service. This way of conceptualizing the nexus has also consequences for how we view ourselves and our interactions: as Beneria (2007: 14) has pointed out, economic rationality, which we are supposed to exhibit if we are to be considered fully formed economic agents, is based on the expectation that we behave in order to pursue maximum gains: ‘as emphasized in any course in introductory economics, while the entrepreneur seeks to maximize profit, the employee seeks to attain the highest earning possible, and the consumer the maximization of his/her utility.’ Reconceiving of the nexus has therefore important consequences for the way we see ourselves and our living together.

In addition, we explore how the differences in conceiving of such nexus in these two sites affect policy-making. In doing so we examine a specific case study from both Bhutan (*Gross National Happiness in business*) and the UK (the *Social Impact Bond*), exploring how WBH is implemented. This is not a comparative project that seeks to reify any one example over another: these are very different sites. We have however started with Bhutan, and included a study of its WBH policy-making, because the country has increasingly been taken as the term of comparison – and a source of inspiration - in international policy-making related literature (Anand and Roope, 2013). In 2012, it was asked by the UN to come up with a New Development Paradigm (NDP) based on their national policy of Gross National Happiness which is supposed to replace the Millennium Development Goals ending in 2015. Bhutan

formulated the New Development Paradigm (NDP) in December 2013 (NDP Steering Committee and Secretariat, 2013). What is interesting about this new paradigm is that it expressly articulates the economy-society nexus as being interdependent. Such interdependence is understood in a way that does not put the social, legal, environmental and spiritual realms at the service of the economic sphere - conceived mainly as that within which rational economic agents pursue the maximization of gains, profits, utility and growth through competition - but that instead sees economic activity as a way to increase collective well-being and sustainability. We therefore focus on GNH in business to highlight the different articulation of the relationship between these realms. We want to emphasize however that this vision of interconnectedness does not put Bhutan on a WBH pedestal and should not be used to posit this small Himalayan kingdom as a WBH Shangri-La as some have (Kelly, 2012). Rather, as we have argued elsewhere in more detail, its policy needs to be understood as part of the means by which Bhutan seeks to exist within its specific geopolitical location surrounded by its dominant superpower neighbors (India and China) as well as other global forces, including a dominant growth-led development model (see Alessandrini, Jivraj and Zokaityte, 2015).

In the UK we have also seen an increasing attention being paid to, and actual investment being made in, advancing a well-being agenda, in particular in measuring well-being through the development of indicators. What is interesting to note here however is that this agenda is being promulgated at the same time as the government is implementing, through important legal reforms, an austerity programme whose primary outcome is the reduction of the costs of social reproduction previously sustained by the state in order to stimulate economic growth. At issue we argue is a very different conceptualization and actualization of the WBH agenda, one that does not so much deny the interconnectedness of the different spheres of life as it places the legal, social, environmental, spiritual etcetera even more at the service of economic growth and profit maximization than they already are. We use the example of the Social Impact Bond, an instrument supposed to motivate financial actors to invest in the delivery of social services, to illustrate this point.

Therefore, even though these two initiatives from Bhutan and the UK are not strictly comparable, we hope to excavate any potential for how WBH is conceptualized and actualized in both contexts. At the same time we are cautious about the ascendancy of the WBH discourse and seek to explore whether its proliferation in certain areas might also be a masking of the further encroaching on other spheres of life of a particular vision of the economic realm: namely, one in which rational economic agents pursue gain maximization.

WBH in Bhutan

As mentioned above the 2013 NDP Report, seeking to replace the World's Millennium Development Goals, articulates Bhutan's vision of well-being and happiness. It emphasises the critical importance of the interdependence of different spheres of life: the inseparability of the economic, legal, social, and the environmental realms. Of course, the political impetus for happiness policy making in Bhutan has come from its specific Buddhist culture and spiritual beliefs and customary practices (Priesner, 1999). Thus, as we see in the NDP Report, the Bhutanese conceptualisation of happiness goes beyond the material and also focuses, for example, on the spiritual dimension. Although current GNH policy making is not explicitly linked to

Buddhism, it is clear that the normative values stemming from Buddhist beliefs give rise to the idea of a ‘higher and reasoned purpose’ that places importance on spiritual well-being, environmental protection as well as on economics and, indeed, highlights their interdependence in achieving happiness. In short, the inter-dependence of these factors is based upon the fact that these spheres of life are not perceived as parallel, existing neatly side by side, but rather are viewed as co-produced, intertwined and even fractal, seeping into one another.¹

There are many reasons why this formulation is interesting, not least because it goes a long way in addressing what scholars like Bruno Latour and Vincent Lepinay (2009) have presented as the problem with current understandings of political economy, that is, the nexus between economy and society. As they point out, we have kept these two realms separate because of a belief in a natural economic order that exists out there, whose laws society has to discover and implement, such as for instance the law of austerity and deficit reduction. The point about adopting a constructivist approach is that it enables us to recognize the co-production between the different spheres of life and to acknowledge there are no natural laws that society has to discover and implement. There are only laws, including the one allegedly requiring deficit reduction, that society continuously makes and with which it performs the economy (Callon, 1998; Mackenzie et al., 2007). Indeed even neo-classical economists who have long posited the market to be a natural state of affairs have more recently admitted it is constructed and fabricated (see Mirowski and Nik-Khah, 2007) through various interventions, including those economists make with their theories and models.

This acknowledgement has a number of implications: first it means recognising that indicators are not simply tools that intervene from the outside; this is to say indicators do not measure a pre-existing reality but actually participate in its making, in creating for instance the well-being phenomena they are supposed to measure (Authors, 2015). As Karen Barad (2007) has pointed out we are part of the reality we seek to describe and so are our ‘tools’ such as indicators. The performative dimension of indicators emerges clearly in the context of the GNH Index devised by the Centre for Bhutanese Studies that we briefly examine below.

Secondly, and importantly for the purpose of this article, it implies that there are no ‘natural’ separations between different spheres, although the ways in which such separations are constantly enacted matter for analytical and political reasons. One important example that comes down from classical political economy and still characterises orthodox approaches to economics is the separation between activities considered productive of economic value and those considered ‘unproductive’: the latter are usually identified with social reproductive activities such as non-marketised domestic work, even though such activities provide the very condition for the generation of ‘value’. Indeed, considering them ‘unproductive’ implies, among other things, not remunerating them. The separation between productive and socially reproductive activities is something that authors like Picchio (1992) have identified as a persistent feature of capitalist economies where households reproduce for the accumulation of capital - an objective partly internalized through the growth imperative - rather than producing for the reproduction of its members.² Through conceptual separations such as that between productive and reproductive activities, the latter are placed at the service of the former, thereby effecting a particular arrangement of the economy-society nexus rather than actually severing it. This is why those scholars who have put forward a social provisioning approach to

economics have insisted on the need to consider production and social reproduction together (Fortunati, 1981; Power, 2004).

So what difference does an interdependent conceptualization of the economy-society nexus, which we believe Bhutan has come very close to adopting, make in practice? From the mid-2000s the Centre for Bhutanese Studies (CBS)³ have been constructing and revising a GNH index based on the 4 pillars and nine domains⁴ which in the case of the 2010 index has a further set of 33 indicators and 124 sub indicators or variables under each domain.⁵ Without giving a full analysis of the Index, what we want to emphasise is that the indicators and Index are not conceived of as reflecting a reality - happiness that exists 'out there' - waiting to be retrieved and measured. Indeed the domains and indicators were the result of a normative process conducted within the CBS during which the parameters for thinking of, and measuring, Happiness were elaborated over 2 years. So in terms of interconnectedness the Index as a tool does not stand outside but is part of the reality it seeks to describe and intervene in.

One example of this is that the government department, the GNH Commission, employs a 'GNH screening tool' to 'assess/review' all draft policies, new programs and initiatives proposed by different governmental departments as well as businesses (GNH Centre of Bhutan, 2015). The screening process then 'highlights specific recommendations and gives feedback based on a review of the proposal and the extent to which it accords with the 9 domains of GNH': so if it finds it not to be GNH 'compliant' it sends the proposal back to the department which will have to re-think it and make it more infused with GNH values if it is to be submitted again (GNH Centre of Bhutan, 2015). To date there have been a significant number of national projects that have been rejected including dam building projects and membership of the WTO particularly because of their potential impact on the environment (GNH Centre of Bhutan, 2015).⁶

It is questionable whether it is viable to continue rejecting projects that could potentially raise vital revenue for Bhutan particularly given the increasing external pressures on this small nation from its two superpower neighbors India and China. However, the current Prime Minister Lyonchoen Tshering Tobgay (2015) in a speech at an International Conference on GNH in May 2015 reiterated the previous PM's commitment to the importance of GNH values to develop sustainably, including by pursuing a green economy. There is therefore an enduring commitment to the significant number of areas in which the conceptual richness of GNH - in recognizing different spheres of life co-produce one another - can be implemented at all levels of policy-making and society including private business.⁷ This is apparent in the same speech to the 2015 GNH conference where the PM highlighted again the commitments of the previous government who stated that there is "an urgent need that we engage the profit-driven business sector, and that we make the GNH discussion relevant to this sector otherwise we will have a very powerful force working against us" (Tshiteem, 2011).⁸

'The concept of GNH in Business'

One particular area in which the government has sought to 'accelerate Bhutan's economic development' outside the public sector is in relation to tourism, particularly since 2008, as it is the fourth highest contribution to GDP.⁹ Although

privatized as an industry in the early nineties, the national tourism policy of ‘high value, low impact/volume’ sought to ‘foster a vibrant industry as a positive force in the conservation of environment [and] promotion of cultural heritage’ contributing to GNH.¹⁰ One of the key projects that had already taken a lead on the ‘GNH in business’ idea was undertaken by the entirely Bhutanese owned tourism company Yangphel through its two subsidiaries Yangphel Adventure Travel (YAT) and Hotel Zhiwa Ling.¹¹ The owners and senior management had already proposed a project of ‘greening’ their businesses in early 2010, when a sustainability adviser was appointed. The premise for the project later changed from a mere implementation of a ‘Sustainable Business Program’ with a focus on ‘greening’ initiatives, to the development of a more holistic business concept that needed to demonstrate how GNH can be practiced in action in the day-to-day activities of private sector companies. This then became the first private sector initiative to incorporate GNH values into its business practices and in doing so seek to come up with a systematic approach for the company as well as produce a GNH business program that others in the sector could use as a tool to achieve ‘happiness’.

At the heart of the project is the idea of sufficiency. As Isabel Sebastian, the sustainability advisor to the project states in her report of the first year of the project: ‘a GNH business should be able to confidently answer three key questions: 1) What is enough profit for the owners and/or shareholders?; 2) What do we do with the rest?; and 3) How do we spend the rest to increase genuine happiness among our stakeholders?’ (Sebastian, 2012:6). These questions are intended to kick start a general discussion around the idea of sufficiency within the boardroom context which in turn is seen as having the potential to lead to new business practices. These would incorporate existing components that fall under Corporate Social Responsibility programmes but would have additional complex and more ‘personal’ components that could lead to ‘inner transformation’. So in the Zhiwa Ling model this would require the company not only “to do things better in its relationships with external and internal stakeholders, with their environment and communities” but it also “requires each individual within a business to become a more evolved human being that can experience and share true and lasting happiness.” (Sebastian, 2012:7).

Before delving further into what is meant by ‘lasting happiness’ in this context it is important to note that the starting point is to acknowledge that a ‘transformation’ is required on an individual level by all the people that make up the business starting from the owners/shareholders to management and general staff. This transformation hinges on the process or journey towards achieving sufficiency – or at least an increased awareness of it – which is described as involving ‘a sense of empowerment that ultimately leads to powerful and positive actions that balance profit-making with serving others.’ (Sebastian, 2012:15).

So how is this sufficiency achieved and what are the impacts for inner transformation; how is it conceived of conceptually and implemented practically? Following a series of workshops in 2011, the core values of the company came to be formulated collectively during workshops involving senior management and staff.¹² These workshops led to the formulation of task forces focusing on the four areas that were identified as constituting the Zhiwa Ling GNH in Business model: 1. greening the business; 2. driving community vitality; 3. evolving individual’s humanity; and 4. doing business ethically and sufficiently. Within these areas, following collective discussion in the workshops the first year of the project (2011) sought to focus on ‘building awareness and understanding of the GNH values and behaviours’ including monitoring and reducing the environmental impact of the business; protecting against

the loss and deterioration of Bhutanese values, traditions and culture; and increasing staff protection and development (Sebastian, 2012:7;). During interviews we conducted in January 2014,¹³ staff mentioned a number of initiatives that they led on within the four areas that contributed to achieving both sufficiency and inner transformation. In terms of sufficiency members of staff found that various ways of tackling excessive energy consumption and waste through increased recycling and upcycling, for example, actually saved money which in turn increased profit. Yet they also mentioned how that profit was utilized towards protecting and supporting the staff and wider community: rather than going straight to the owners, shareholders or indeed into the salary packages of the senior management, it went into the salaries of other staff in the first instance. Some initiatives that were mentioned as particularly valued by the staff included health and fitness education, particularly for the women who make up almost half of the workforce; setting up of a welfare fund – which staff themselves also paid into - which could be used to support members with various situations, including illness but also for important personal cultural/religious events such as financing Buddhist burial rites for family members where rituals are performed for forty-nine days after death. Examples of social and other engagement with the wider local community and Bhutanese society at large included supporting an event for the Bhutanese Nuns Foundation - itself a provider of health and education as a means of empowerment for girls and women escaping poverty and/or abuse with no other recourse to support;¹⁴ hosting gatherings for people – mainly migrant Indian labour - working on local road construction; and organising regular social and sporting events for staff and the local community. As one interviewee put it ‘We began to appreciate more what we had already been trying to do and we also became more aware of each other’ (Authors’ interview, 2014). What they were describing is a sense that despite broadly growing up in a Buddhist culture, the significance of the values of that culture – community, serving and thereby connecting with others, protecting the environment and traditions - was realized and actualized far more by having to practice the values within the paradigm of the GNH in business program in the workplace. The interviewees also highlighted how this practice also then led to and cultivated an ‘inner transformation’ which also further impacted their home lives, for example in relation to recycling and (traditional) craft making using renewables, as well as in relation to other areas such as health and well-being.¹⁵

Given the importance of these values and ‘ethics’ underpinning the imperative to work towards sufficiency and balancing profit-making with serving others, it is important to take a closer look at how the interconnectedness of the supposed different spheres of environment, economics, spiritual, social etc. map onto ultimate goal of the GNH business paradigm, namely, ‘lasting happiness’. How is Happiness conceived of and what does it mean in the context of running a business such as a tourism entity? Sebastian states that for the Zhiwa Ling project it is the GNH index (and its nine domains listed earlier) that acts as indicator of what makes up happiness or satisfaction levels in Bhutanese society. In addition, she also highlights the importance of considering Buddhist conceptions of happiness as the background from which GNH has developed in Bhutan. With that in mind she states: ‘Individual happiness is a state of...being at ease, being deeply satisfied and being highly aware. This state can never be affected by positive or negative events or emotions. This state of being comes with a sense of connectedness, continuity and endurance...’ rather than with a sense of experiencing dissatisfaction with not having our wants satisfied (Sebastian, 2012:14).

She continues: ‘Therefore the kind of happiness that is possible from a Buddhist perspective, can only be achieved by learning to transform greed, jealousy and anger to compassion, generosity, patience, clarity and wisdom’ (Sebastian, 2012:14). These sentiments would then be part of the values or ethics that are translated into a business setting or program seeking to balance profit-making with increasing the satisfaction levels of Bhutanese society in all of the aspects of the nine GNH domains. In short, this means that happiness in the workplace requires a deeper understanding and evolution of each individual’s sense of community, sufficiency and contribution (Sebastian, 2012:17) as the interviewees said they had experienced, confirmed by the fact that there was less than 1% absenteeism and very low turnover of staff (Authors’ interview). So returning to the question of what is enough to achieve sufficiency - rather than just aiming for profit-making for its own sake – Sebastian is aware of the fact that ‘...the concept of sufficiency in a business context may seem like an oxymoron - like bingeing on moderation’ (2012:18). She adds however that ‘any genuine GNH business would be able to answer the question of “What is enough?”’ (Ibid.). Although our interviewees were reflective about not yet coming to an exact figure on what would constitute enough, they were clear that a projection in targets of occupancy or profit related activities would only be between five to ten percent and also involve other WBH - rather than income - generating strategies. Sebastian notes that this presents a huge challenge for any company implementing a GNH in Business program and:

will only work for companies that recognize that they have a responsibility and a part to play in finding solutions to the current world economic crisis, environmental crisis and crisis of humanity. Ultimately, it does not matter which figure a business arrives at in declaring what is considered sufficient profit. The transformational shift for a company towards a GNH philosophy will come through the mere process of engaging in such discussions at leadership and shareholder levels... (2012:18).

Using the first GNH in business case study we have explored and reflected on both the conceptualization and actualisation of a WBH agenda in Bhutan and in particularly have drawn out its potential to articulate a different nexus between economy and society, one that sees these realms as deeply interrelated and that places profit at the service of key social objectives (Beneria, 2007:27) rather than the other way around. This reconceptualization and re-actualisation of the nexus is also seen as inextricably linked to the transformation of the person whose existence cannot be confined to the pursuit of gain maximisation. However as we stated at the beginning caution is required not to posit Bhutan’s approach as entirely unproblematic. In an earlier article mapping the transnational terrain of WBH discourse we explored how Bhutan’s GNH policy works as part of an international approach that espouses the language of global co-operation. However, it also reveals a sense of fear and threat from the outside world, both in terms of its superpower neighbours and the growth-led development model on which it has embarked since the 1960s (See Alessandrini, Jivraj and Zokaityte, 2015). In the next section we move to the UK context and examine to what extent, if any, interconnectedness and measurement are being imagined and deployed with any conceptual and practical potential for WBH.

WBH in the UK

Well-being measurement has been an important part of the UK government agenda since 2010, although the attempt to supplement 'economic statistics with social statistics to gain a fuller picture of the quality of life' goes back to at least the 1970s (Hicks, 2011). In 2010, however, former Prime Minister (PM) Cameron announced the government was committed to assessing the 'progress' of the country not only in terms of economic growth but also of quality of life and standards of living. As a result, the Office for National Statistics (ONS) was tasked with starting to measure national well-being 'to provide a fuller picture of how society is doing by supplementing existing economic, social and environmental measures' (ONS, 2016). The ONS sees its role as one of developing and publishing 'an accepted and trusted set of National Statistics which help people understand and monitor well-being'; and the national statistics published every year refer to both subjective and objective well-being indicators.¹⁶ Specifically since 2011-2012 the ONS has been conducting a yearly personal well-being survey measuring subjective wellbeing.¹⁷

What this section aims to emphasise however is that well-being measurement takes place within an overall well-being agenda that puts forward a very different understanding of interconnectedness and a very different actualization from that seen in Bhutan. Well-being measurement is here not used in any 'embedded' sense, it does not provide any compass for government action, nor are public policies screened to ensure they do not adversely affect well-being. If anything, well-being statistics seem to legitimize current government policies with the 2014-15 Personal Well-being survey for instance reporting that 'personal well-being has improved every year since the financial year ending 2012 when data were first collected, suggesting that an increasing number of people in the UK are feeling positive about their lives' (ONS, 2015b). The validity of these kinds of statistics has been called into question by scholars who have reflected on the limitations of the framing questions, particularly in the case of subjective wellbeing surveys.¹⁸

The work that brings to light the flaws of statistics is certainly important. However, what we are interested in highlighting here is the particular way of conceiving of interconnectedness that the overall approach to well-being articulates. The interesting aspect of Bhutan's GNH approach is the recognition it gives to the co-production of the economic, social, cultural and environmental spheres of life as well as the decision it makes to intervene in the nexus between them by injecting and upholding GNH principles, such as sufficiency and sustainability, in light of which public and private action is evaluated so to be enabled or challenged. The UK government's approach to well-being instead appears to be one where the primacy of (a particular vision of) the economic sphere is ultimately upheld and its current principles, first and foremost competition and profit maximisation, extended to other spheres of life as the example of the SIB we discuss below points to. This in part explains why in this context well-being measures are likely to be ineffectual in generating socio-economic change.

Although we do not intend to make broad sweeping generalizations about well-being, and acknowledge that it has been taken up differently by different constituencies in the UK (Smith et al., 2009), we argue that well-being measurement, and the government's well-being agenda more broadly, cannot be viewed in isolation from the austerity project on which the government has embarked since 2010. We focus on two specific aspects of such project, namely the state's re-imagining of social services and the promotion of a social investment market. Taken together these two aspects allow for a different perspective to be brought to bear on the

government's well-being agenda. This is a perspective from which the dominance of economic measures such as GDP is not challenged but is rather reinforced as competition, efficiency and gain maximization become crucial principles regulating action in domains, such as the provision of social services, that had been to a certain extent shielded from their influence.

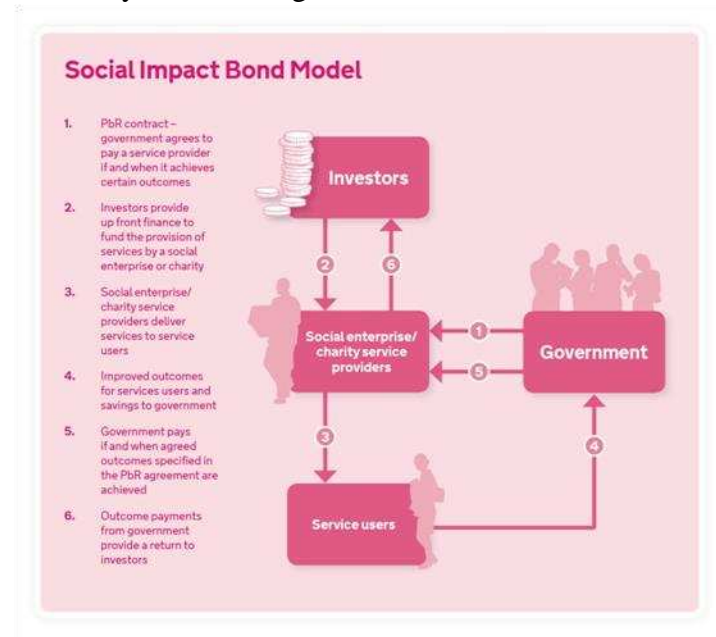
More specifically, the argument we make in the next section is that well-being measurement is being deployed in a way that legitimizes policies that make both productive and social reproductive activities even more subject than what they already are to profit maximisation and economic growth. It thus affects the economy-society nexus in a very different way from that seen in Bhutan, with potentially profound consequences for the way we view our 'selves' in relation to one another, and therefore our interconnectedness. To make this argument we first describe the transformation that has taken place in the realm of social services and the potential this is said to present in terms of enabling participation of non-state actors in their delivery. Secondly we reflect on the creation of a social investment market, with a specific focus on the Social Impact Bond (SIB) - an instrument that promises to enable the cost-saving and efficient delivery of such services as well as deliver an 'ethical' turn in finance - which we see as illustrative of the impingement of a particular economic logic on this important aspect of social life.

The promise of the Social Impact Bond

Although the idea of 'compulsory tendering' was firstly introduced in the 1980s under the then PM Thatcher (Patterson and Pinch, 1995), with New Labour also encouraging private actors' participation in the provision of social services, the state has remained up until recently their main provider. The situation has changed with the reforms introduced by the Coalition Government between 2010 and 2015, in particular the 2011 'Open public services' White Paper (HM Government, 2011), the 2011 Localism Act and the 2012 Public Services (Social Value) Act. As Dowling and Harvie (2014) have pointed out, when considered together these instruments open a new chapter as the state is no longer the provider but at best the commissioner of public services. The White Paper, for instance, puts forward the idea that it is open to communities, companies, voluntary organisations and professionals from local authorities to become providers of public services commissioned by the state as long as they are 'less costly yet qualitatively better' (HM Government, 2014).¹⁹ The market envisaged here is one where the state steps in to provide minimum quality regulation and financial support to disadvantaged individuals who cannot afford to participate in the market. The aim is supposedly to enable active participation of all directly concerned with service provision.

Similarly the Localism Act of 2011 intervenes to give 'community rights' to organisations which are dissatisfied with the provision of services in order to challenge it and to take on service provision themselves: here the language is that of empowerment and choice. And, finally, the Public services (Social Value Act) of 2012 introduces the concept of 'Social Value' which the government must take into account in the tendering process that service providers undergo, so that providers have to show what positive non-financial impacts they produce. 'Social value' seems to take us beyond economic value by requiring that the government considers non-economic benefits when evaluating projects to be funded.

Such restructuring has been accompanied by the promotion of a strategy that purports to address one of the limitations of payment by results' contracts, namely the fact that certain constituencies interested in providing social services may lack the initial capital to invest. Thus, to enable participation by all non-state actors, the state increasingly relies on a 'social investment market'. Again the idea of Social Finance is not new: it was created by New Labour to '...marry the needs of investors and the social sector, and to connect the sector to capital markets' (Social Finance, 2009). However, it is now being presented as a crucial means for providing social services no longer provided directly by the state. Thus, the state will fund – but not provide directly - some services, mainly through contracts based on payment by results, whereas other services for which money is needed upfront, like in the case of those which can be provided by communities or charities, the Government encourages the participation of social investment financial intermediaries (SIFIs) to inject the necessary funds through new financial instruments such as the SIB.



Source: Cabinet Office, Centre for Social Impact Bonds, 2016

SIBs are contracts involving several parties: an outcome payer (a government agency or foundation) that commits to pay for measurable social outcomes agreed in advance; a service provider (a profit or not for profit entity) that delivers such 'social outcome' and receives working capital in advance; the user who receives the service; the investor (individuals, foundations or corporations) who anticipates these funds and receives the capital in addition to a rate of interest if the intervention is successful; an independent evaluator who assesses whether this is the case; and an intermediary organization that designs the project and co-ordinates all stakeholders. The first SIB in the UK at Peterborough prison had as its social outcome the reduction in reoffending of male prisoners aged 18 (Social Finance, 2014) while in the case of a SIB on adoption, the outcome that will trigger payment is the 'placement' and 'non-return' of children in local authority care. There are currently 53 SIBs worldwide, and the UK is taking the lead with 32, mainly targeting youth unemployment, homelessness and healthcare in addition to recidivism and children's care (Instiglio, 2015).

It could be argued that this is a positive development in that it announces a more participatory model of social provisioning since non-state actors (including communities and individuals) can now tender to provide services themselves, enabled by financial instruments such as SIBs; and it also prefigures an ethical turn in the economy and in finance as investors are encouraged to fund socially worthy activities. This was the tenor of the G8 Social Investment Task Force launched by Cameron in 2013 whose Report *'The invisible heart of the market'* sees social investment as an opportunity for financial investors to redeem themselves after the 2007 crisis (Social Investment Taskforce, 2014). That is why, among other things, the Report calls upon states to create a legislative environment where instruments such as SIBs are encouraged. Taken at face value, therefore, this intervention would seem to have the potential to foster a more interconnected vision of the economy, one in which profits are re-invested in social activities, and community's members become more directly involved in their provision. And this would entirely be in synch with the stated well-being objective of increasing standards of living by enabling people to realize 'what matters' to them.²⁰

However, there are two notes of caution we make in the remainder of this section. The first concerns the promise that financial instruments such as SIBs make with regard to community participation, innovation and cost-saving. SIBs are supposed to facilitate participation of organisations rooted in community or private actors with the ability to innovate. They are also supposed to deliver savings for the government which pays only if the intervention is successful, thereby sharing the financial risk with the investor. There is already a growing literature that challenges these assumptions by pointing to the consequences that competition and efficiency are likely to have on the interaction between the different 'stakeholders', starting with the fact that smaller providers may be unable to compete with larger, well-resourced entities as the offer of less costly services is considered paramount in the tendering process. Also, the claim about private actors' greater ability for innovation (read: in comparison with the government's) ignores the evidence of market failures that similar experiences (for instance Private Public Partnership) have brought to light (Lethbridge, 2015). For instance the fact that investors often go for less risky, more straightforward projects in order to secure returns (in the case of SIBs these would be projects with more easily measurable social outcomes), not only casts a shadow on the innovation they are purported to foster but also points to the problem of exclusion of more 'complex' forms of intervention that may not be so straightforwardly profitable. This is linked to the more general claim that SIBs tackle the symptoms but divert attention away from the more systematic treatment of social problems (Jackson, 2013; McHugh et al., 2013; Warner, 2012, 2013).

Finally, the claim about cost saving, which has particular appeal in an austerity climate of supposedly declining resources, is also being unpacked. Whitfield (2015:9) for instance argues that SIBs are ultimately financed by the public sector since the money that investors get (i.e. working capital in addition to a 15% to 30% rate of return) comes from future budgets, usually in the form of taxes. But he also points out that

If the intervention fails it will almost certainly impact on service users and staff, but this is never referred to. The public sector, service users, staff and contractors bear risks as well as private investors. If the public sector funds social impact bonds it must reconfigure existing services and continue to operate acute services at a time of continuing public spending cuts. The failure

to achieve the outcome targets may not be evident for several years so avoiding reallocation of budgets is a myth (Whitfield, 2015).

This has to be seen together with the tax relief that is currently being provided to individuals that make social investments, and particularly investment in SIBs, and which will also reduce tax revenues for the state (Lethbridge, 2015).²¹

Savings are however taking place in another important realm of social intervention. Indeed, the second note of caution concerns the fact that the reconfiguration of public services provision is taking place against the backdrop of welfare cuts. In England between 2010-15, the largest cuts have been in social housing (33.8 %); social care (23.4); higher, further and adult education (32.6%); early years education and care (19%); and schools (10.9%). The Women's Budget Group (WBG), together with Landman economics, have used the method employed by the Treasury and looked at the impact of measures (such as cuts to social security benefits, changes in income tax and indirect taxes, and cuts to services directly used by people) implemented up to April 2015. Taking into account the gain/loss of disposable income these measures entail, they have estimated that single parents (15.1%) and single pensioners (11.6%), groups in which women figure prominently, lose most. Women, particularly from Black, Asian and Minority Communities are also losing more of the jobs in the public sectors, without getting comparable jobs in the private one. And finally in terms of pay while prices in the UK have increased by 10.7%, median hourly pay has gone up by only 4.3% (WBG, 2013: 3). All of this is happening while well-being statistics are up in terms of life satisfaction.

If we consider these three aspects together - welfare cuts and public services reform together with the fostering of a social investment market - the picture looks very different from the one about empowering local communities, increasing choice and quality of services, transparency and accountability in decision making etc. What has become apparent since 2011 is that the state is not withdrawing from but actually re-engineering our relation to social reproductive activities, which are inextricably linked to productive activities, although their relation goes often unacknowledged. One way of thinking about social reproductive activities in this context is to look at both how services for subsistence and basic well-being are procured (i.e. housing, health, education, care, etc - what are often described as the objective components of well-being measurement); and how we see our 'selves' and our relation to one another, namely our interconnectedness, with this latter dimension touching upon questions of subjectivity. Why subjectivity? Social services were provided by a mix of government spending, women's labour in the family and community under Fordism, with immigration and debt having come to play an increasingly important role with the demise of that approach to social re/production. At the same time, the Fordist 'citizen' gave way to the post-Fordist 'investor' and we started seeing ourselves increasingly as investors and entrepreneurs. Our speculation is that the reforms discussed above are likely to affect both aspects of the productive/reproductive nexus, although the contours of the transformation are not clear yet.

What we can assume is that voluntary organisations, communities and companies (both for profit and not for profit entities) will have to tender for contracts. They will have to demonstrate they are more cost saving and/or cost efficient than their competitors in order to get the funding they need from private investors, while the state acts as a guarantor. They have therefore to demonstrate potential for returns to be obtained. But where are the returns, which investors get from the state if the

provider's intervention is 'successful' - namely, if its 'measurable' social outcomes are met - coming from? At present the state is committing future finances, mainly through tax revenues, to pay investors working capital and interests, and there are also the costs it is incurring in the promotion of the SIB market that will need to be met. However, as Dowling and Harvie (2014) have importantly argued, we can expect these returns to be also funded through more unremunerated labour as providers compete to show they are more cost-efficient or cost-saving than their competitors. We can for instance anticipate that providers' employees will be paid less, with less social security entitlements: these were the findings by Patterson and Pinch (1995) in relation to the compulsory tendering that took place in the 1980s and early 1990s. These findings pointed to the consistent deterioration of working conditions despite the presence of sectoral and geographical variations. And we have seen a similar trend throughout Europe since the 1990s, with decreasing costs of labour for business as employees work longer for less (Lazzarato, 2012:172-80).

This is one side of the coin: the other is the increase in the costs of social reproductive activities for individuals (i.e. care, housing, health, education, etc), whether they are employees or service users as the state withdraws further from the provision of social services and asserts the power of markets to both devise solutions to social problems and deliver increasing profits to investors. The SIB, we think, is illustrative of this complex dynamic: it has the potential to generate profits for investors, who may soon also be able to trade it as a financial asset in secondary markets (the creation of such market is being envisaged at G8 level), by relying on more unremunerated labour in both the productive and reproductive spheres. Indeed more profits are likely to be extracted from their nexus: as Dowling and Harvie (2014) have poignantly argued, the SIB shows how the 'social' is not only the terrain in which to reinvest profits made elsewhere, as it was the case with philanthropic capitalism, but it at the same time that from which profits are extracted.

But the SIB also raises the question about the kind of 'self' which is being fashioned through the tendering process that is necessary to secure access to funds. The speculation is that despite the promise of increasing wellbeing by empowering communities and individuals through local decision making, the valorization of choice, transparency, etc., the kind of interconnectedness which is being fashioned is a precarious and individualized one. It follows in the footsteps of the neo-liberal citizen as investor but without the appeal of autonomy that social and/or human capital once carried. As Lazzarato (2012:93) puts it 'The promise of what 'work on the self' was supposed to bring to labour in terms of emancipation (pleasure, self-fulfillment, recognition, experimentation with different forms of life, mobility etc.) has been rendered void, transformed into the imperative to take on the risks and costs that neither business nor the State are willing to undertake'. We are more responsible for meeting our own subsistence needs - which remains necessary if the economy is to grow through the production of goods and services. We are more heavily indebted as the state withdraws from the provision of fundamental social services, and hence in need to become more competitive. Indeed SIBs signal a shift in the motivation for welfare provision as 'services and support are no longer provided through a desire to help those in need as a valuable end in itself; rather changing the circumstances of service users are valued as a metric to trigger payments to investors. This changes the status of the service user from a citizen entitled to support into a commodity processed for profit' (Sinclair et al., 2014). The evidence about the adverse consequences of competition and profit maximization is kept out of sight, and so is the exploration of alternative avenues for supporting social reproductive activities.

Conclusions

In this paper we have explored the potential of WBH to put forward a more interconnected understanding of the relationship between economy and society and examined how this understanding affects policy making in two very different sites, Bhutan and the UK. We have argued the potential of this approach rests on the possibility of affecting the current nexus that privileges the ‘economic’ sphere, identified with the generation of growth and profits, at the expense of other spheres of life; and have taken the relationship between productive and socially reproductive activities as the lens through which to assess this potential.

We have concluded that despite the UK’s well-being conception of moving beyond economic indicators and the primacy of GDP, focusing on standards of living instead, the opposite seems to be happening with the government embarking on an austerity agenda. As Rodger (2013:726-727) has argued:

governments can only maintain low state borrowing through the adoption of austerity measures which signal to the capital markets, and the international rating agencies, that social and public expenditure will be reduced and maintained at a relatively low level in relation to measures such as GDP. This, it is assumed, is necessary to assuage a mobile international capital from migrating to developing regions and to allow the private sector to flourish and the public deficit to be reduced.

More specifically it seems to us that social reproduction is increasingly becoming the realm from which profits are extracted: this happens as the cost of productive activities decreases for business, through wage repression and the reduction of social security entitlements; and people take on themselves the costs of social reproductive activities once supported by the state. The SIB is illustrative of this dynamic, whilst also taking it a step further: as providers compete to offer cheaper, yet qualitatively better, services, it is likely that working conditions will deteriorate while cherry-picking by investors of profitable projects – those whose outcomes are more easily measurable - is likely to impact on the kind of social services that are going to be provided. And as ‘social value’ becomes a metric to quantify activities which were not previously quantified in monetary terms, and service use becomes a commodity to be processed for profit, the way in which we approach our living together will also be affected.

On face value at least it seems we are conceiving of interconnectedness in a very different way to that of Bhutan; here the interdependence of different spheres of life means not only the inseparability of the economic, social, legal and the environmental but also a particular assembling of their nexus, one infused with values other than gain maximization. Productive and reproductive activities are seen as deeply interrelated and profit is placed at the service of social reproductive activities rather than the other way around. Indeed GNH in Business seems to us to come close to answering Beneria’s call for a more socially relevant economic theory, one for which ‘productivity/efficiency is achieved not for its own sake but as a way to increase collective well-being [and the] sustainability of our planet’. We see GNH in Business coming close to her call for re-imagining profits as ‘a left over after key social objectives are met’ (Beneria, 2007:27). The reconceptualization and re-

actualisation of the nexus are also inextricably linked to the transformation of the person whose existence cannot be confined to the pursuit of gain maximization.

In conclusion then, different contexts such as the UK and Bhutan engaging with well-being agendas cannot be conflated in what we view now as an almost internationalized industry around WBH. Rather we suggest that such conflation needs to be avoided in order to pay much closer attention to the ways in which well-being can be co-opted or indeed fashioned through policy-making and government initiatives resulting in a marginalizing impact, particularly on certain constituents within society.

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Notes

1. There is a visual depiction of this on page 13 of NDP Steering Committee and Secretariat (2013).
2. We rely on the definition by Rai, Hoskyns and Thomas (2010) for whom social reproduction encompasses biological reproduction, including sexual, affective and emotional services; unpaid production of goods and services in the home and within the community; and the reproduction of culture and ideology which can both stabilise and challenge dominant social relations.
3. The CBS is the primary body that began the initial research for developing the GNH philosophy. It also constructs the GNH index, carries out the GNH surveys and analyses them before the results are actioned by the GNH Commission which is the government planning body.
4. The Nine domains are: living standard, good governance, education, health, ecology, community vitality, time use and balance, cultural diversity, psychological wellbeing.
5. The number of sub-indicators and variables are under constant review. Figures given here relate to the 2010 GNH Index. The next survey was due to be conducted in 2015 – the results are not yet available. The Index has also been used as the basis to develop GNH policy screening tools (PST). Prospective public policies are screened by the GNH Commission for their perceived impacts on 22 variables linked to the 9 domains. (Dorji, 2014).
6. Other Policies approved by the GNH Commission include: National Forest Policy of Bhutan 2009; Economic Development Policy of the Kingdom of Bhutan 2010; Foreign Direct Investment Policy 2010; Research in the Renewable Natural Resources Policy 2012; National Employment Policy 2013; Food and Nutrition Security Policy of the Kingdom of Bhutan 2014; Bhutan Telecommunications and

Broadband Policy 2014 (see GNH Commission, 2015). For example, the Foreign Direct Investment Policy adopted in 2010 is intended to prohibit the import of chemical products, weapons, fast food and pornography in to the Kingdom of Bhutan. More than 100 FDI projects tested for alignment with GNH during 2010 and 2013 failed the GNH screening test (see Musikanski, 2014; Omlin et al., 2013).

7. Examples given by the GNH Centre in Bhutan include: Greener Way which is Bhutan's first waste management and recycling company aims to manage waste in an efficient and environmentally friendly way. Besides investing in innovative waste management practices, Greener Way also supports various educational initiatives on waste management in Bhutan. The Happy Green Co-operative was formed in 2009 by youth farmers in Bhutan to promote high quality sustainable employment and organic agriculture. The Happy Green Co-operative pursues these goals primarily through projects Happy Snacks, Happy Farms and Happy Green Infotainment but it also plans to set up a Co-operative bank that would offer financial services to young farmers in Bhutan (see GNH Centre of Bhutan, 2016).
8. See also speech of current PM Lyonchoen Tshering Tobgay (2015).
9. After hydropower sold to India, then agriculture and construction (Sebastian, 2012:9).
10. The policy requires all international tourists to pay a minimum daily rate of US\$200 (of which just under half goes directly to the government as a royalty fee (see Tourism Council of Bhutan, 2015).
11. The hotel was built in 2006 in the tradition of a Bhutanese Dzong - or fortress - in the town of Paro (see Zhiwa Ling, 2012).
12. As part of this initial program 130 hours of training were delivered to 471 participants on GNH philosophy; 110 staff completed the GNH National Survey; and an environmental monitoring system was implemented and led by a task force of staff. See Part 4 Appendices in Sebastian (2012) for full list of trainings and areas covered in the workshops and Sebastian, (2012:7-8) for the positive results of the implementation of the environmental taskforce measures.
13. Interviews were part of field-work conducted in Bhutan (Paro and Thimphu) in January 2014 and funded by BA/Leverhulme (grant no SG121570). Face to face interviews were carried out on the 24th and 25th of January in Zhiwa Ling hotel, Paro; and involved the authors (Alessandrini and Jivraj), and two members of staff: Rinzin Lhamo (Front Office Manager) and Sonam Peldon (Executive Manager and GNH Taskforce Leader). As these were expert interviews, no ethical approval was required. Open-ended unstructured questions were asked of both members of staff with regard to their understanding and experience of GHN in business in the daily running of the hotel, focusing on the meaning and determination of 'sufficiency' with regard to profit-making. We have used the interviewees' description of their GHN in business experiment to illustrate the possibility of articulating differently the inter-relationship between economy and society in this particular context. An audiotape was used to record the interviews, and their transcriptions are held with the authors. We would also like to acknowledge the support of Brent Hyde (General Manager) and Isabel

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- Sebastian (Sustainability Adviser) who facilitated our visit and were generous with information about the project.
14. Interview with Tashi Zangmo, Executive Director of BNF, 2013 (see also BNF, 2016).
 15. See also Bhutan's New Development Paradigm which emphasizes the need for 'inner transformation' alongside transforming material conditions to provide for example, secure and healthy living conditions, stating that: 'The inner transformation of our own mind-sets and behaviours is as important for happiness as the transformation of [these] outer conditions of wellbeing' (NDP Steering Committee and Secretariat, 2013: 33-34). It goes on to list the personal tools for achieving this transformation (NDP Steering Committee and Secretariat, 2013: 34-36) which echoed the priorities of the interviewees in relation to the protection and practicing of Bhutanese cultural/religious values and rituals albeit in a modern era.
 16. The Measuring National Well-being (MNW) programme started in 2010. The ONS describes well-being 'as "how we are doing" as individuals, as communities and as a nation, and how sustainable this is for the future. Life in the UK presents the full set of 41 headline measures of national well-being, organised by the 10 domains, or areas, such as Health, Where we live, What we do and Our relationships. The measures include both objective data (for example, number of crimes against the person per 1,000 adults) and subjective data (for example, percentage who felt safe walking alone after dark)' (Evans et al., 2015:1).
 17. The survey investigates 'how satisfied [people] are with their life overall, asking whether they feel they have meaning and purpose in their life, and asking about their emotions during a particular period' (ONS, 2015a).
 18. Boffo et al. (2015) for instance have argued that responses people give to personal well-being surveys are heavily influenced by norms and expectations so that increases in reported happiness at particular hard times, such as after the financial crisis of 2007 and the implementation of the austerity programmes, are hardly reliable as they may have to do with lower norms and expectations rather than improvement in well-being.
 19. See also Cabinet Office, 2014.
 20. This was the title of the ONS consultation conducted between 2010 and 2011 whose aim was to construct the domains within which wellbeing would be measured. The consultation generated 34,000 responses. The most common answers were from a pre-defined list (health; good connections with friends and family; job satisfaction and economic security; present and future conditions of the environment; education and training). The ONS also scrutinised free text responses which emphasised 'the importance of our health to our well-being; the importance of having adequate income or wealth to cover basic needs; the environment around us, and the need to connect with other people'. Matheson (2011: 5-6).
 21. As Lethbridge (2015:10) has highlighted 'Individuals can deduct 30% or up to £1 million from their income tax liability for the cost of a social investment. They can also defer capital gains tax in certain conditions...In the 2014 Autumn Budget statement, the UK government announced that it was seeking EU approval to

increase the investment limit to £5 million per annum per organisation with up to a maximum of £15 million per organisation, to take effect after 6 April 2015.'

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