

Towards a New Development Paradigm

Summary Document & Proposed Model



The Steering Committee for the New Development Paradigm

Royal Government of Bhutan

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As a result of deliberations at the first IEWG meeting from 27 Jan - 2 Feb 2013 in Thimphu and various other contributions from IEWG and Steering Committee members, this summary document titled *Towards a New Development Paradigm* was drafted and, together with the proposed NDP Model, was released by the Steering Committee in March 2013 to guide the upcoming work of the IEWG.

A. The global search for a new development paradigm

The present GDP-based development model has maximized productivity, increased income and consumption, created prosperity, and made life longer, easier, and more comfortable for those able to exploit its potential.

However, with this model having reached its ecological, social, cultural and economic limits, there is growing consensus that the world and human society are now in need of an alternative paradigm that will make the positive and amazing achievements sustainable and guide society towards higher and more meaningful advancements. This realization comes from the worrying consequences of resource depletion and ecosystem degradation that now threaten the survival of countless life forms including our own and the diminishing cultural diversity as well as the fundamental flaws of our economic systems. Unconscionable inequities, indebtedness, disempowerment of local communities, political instability and conflict are some of the many other causes that make clear the need for a change of direction.

Society's search for an alternative way of life guided by a common vision was articulated by the Secretary-General of the United Nations in his address to the high-level meeting on the State of the World Economy and Finance at the UN headquarters on 17 May, 2012:

“The old model is broken. We need to create a new one.... In this time of global challenge, even crisis, business as usual will not do.... It is time to recognise that human capital and natural capital are every bit as important as financial capital. It is time to invest in people.... Clearly we must unite around a shared vision for the future — a vision for equitable human development, a healthy planet, an enduring economic dynamism.”

Bhutan's initiative is a part of the worldwide effort now under way to define a new global development agenda to guide society when the decade for the Millennium Development Goals (MDGs) ends in 2015 leaving many countries short of achieving the basic socio-economic standards for decent life. The UN General Assembly is engaged in identifying a new set of Sustainable Development Goals (SDGs). A High-Level Panel is advising the UN Secretary-General on the post-2015 agenda, and efforts are under way at the World Bank, OECD, European Union and other international and regional organizations to measure and account for wellbeing and sustainability. Likewise, many countries like France, the UK, Japan, Italy, Qatar and others are seriously engaged in similar efforts.

B. What Bhutan can bring to this global endeavour

Bhutan's own development approach, guided by its philosophy of Gross National Happiness (GNH), since the early 1970s, looks at the prevailing problems as symptoms of a single malaise. It considers all these problems as being rooted in our refusal to accept the obsolescence of the GDP-based model, which served well its purpose at the time it was needed. Bhutan's path is founded on a clear understanding and acceptance of a higher and reasoned purpose for

development that goes beyond the short term economic and material wellbeing of human beings and takes into account the interdependent nature of life on earth. It is guided by the belief that development or societal progress must raise the wellbeing of the human individual not only physically and materially but mentally, emotionally and spiritually as well.

Indeed, without such clarity of purpose, many solutions may remain sectoral, short-term, issue-driven, and concerned only with humankind's physical survival and material conditions. Without that clear vision, the fundamental motivation and impulse driving the current competitive, consumption-oriented model of development — namely untrammelled desire — will continue to condition our thinking and dominate our search for alternatives. Until we are able to tame and control that insatiable greed through the pursuit of such a vision, the best of alternative models we can conceive will only delay what has become inevitable.

The growing interest espoused by the international community in GNH and the adoption in July 2011 of the UN resolution on *Happiness: towards a holistic approach to development* motivated Bhutan to host the high-level meeting on wellbeing and happiness at United Nations Headquarters in New York in April, 2012. This, in turn, moved His Majesty the King of Bhutan to convene an International Expert Working Group to frame a new development paradigm based on Bhutan's experience of pursuing a holistic, sustainable and inclusive development process aimed at promoting human happiness with a clear set of progress indicators.

This distinguished and multi-disciplinary group of more than 60 eminent international experts is presently working with enthusiasm and commitment, first to articulate the goals of the new model and to design its conceptual framework for presentation to the United Nations this year, and then to elaborate the proposed structures and processes of the new paradigm for presentation to the UN next year. The Kingdom of Bhutan is deeply honoured and humbled to facilitate this process, which will enhance the current international discourse and help define a viable post-2015 global development agenda.

C. Redefining development

The fundamental change we need will only come from redefining the very purpose of development as a common vision that goes beyond the compulsion to increase material production and consumption. The human aspiration for happiness transcends all the dividing contours of society, has the power to unite all of humanity, and generates a deep, abiding sense of harmony and connectedness with nature, with fellow beings, and with ourselves. It is happiness that will curb our consumerist impulses and give to us the capacity to find satisfaction and contentment.

Genuine and true happiness is not of the fleeting and frivolous kind but a sustained state of being. It does not deny basic material needs or the importance of productive economic activity, but rather balances the needs of body and mind. It acknowledges that material conditions like a stable climate, adequate resources, clean air and water, good food and health, decent living conditions, literacy, safe communities, and other dimensions of wellbeing are essential

preconditions for human beings to realise their full potential. At the same time, our approach does not see these material states as ends in themselves or as the ultimate purpose of human development, but rather as survival requisites and enabling circumstances for human society to flourish and achieve true happiness.

Far from contradicting the vital initiatives under way, Bhutan's proposition will strengthen current efforts to reverse climate change, enhance sustainability, eradicate poverty, and promote inclusiveness and prosperity. In a finite world, the pursuit of these objectives call for reorienting the purpose of development from material production, accumulation and waste to more meaningful ends. Without such a vision, even our most well-intentioned efforts will not stem the excessive and inequitable use and exploitation of resources that are exceeding planetary boundaries and have placed mankind on a path of self destruction.

Without acknowledging human happiness as the goal of development, efforts to achieve sustainability will always require a focus on legislation, regulation and penalties to conserve natural resources, curb pollution and greenhouse gas emissions, prevent waste and starvation, limit excess consumption and other unsustainable practices. Such a restrictive environment will inevitably become more severe and stringent as scarcity increases, and will cause conflicts between and among nations and communities striving to protect their resources.

In sharp contrast to this scenario, a focus on human happiness can help redefine wealth in non-material terms to include, for example, the value of nature, free time, and social supports, and thereby encourage positive changes away from consumption habits towards the true fulfilment of human potential.

Acknowledging human happiness and the concomitant wellbeing of all life forms as the goal of development in effect joins the ecological, societal, economic, governance, human, and psychological dimensions of development. It provides, in short, a comprehensive, integrating, holistic, and interdependent perspective to current endeavours to frame the post-2015 global development agenda. Indeed, we believe that only such a higher view of development can effectively transform humanity's relationship with nature; embrace full-cost accounting and restructure our economies; change our attitudes to food and wealth; promote caring, altruism, inclusiveness, and harmony; and achieve the targets of the emerging Sustainable Development Goals.

D. Is it possible?

What we propose is both necessary and possible. We have never had greater global capacity, understanding, material abundance, and opportunities to achieve human happiness and the wellbeing of all life forms. This capacity includes scientific knowledge, communications & technology, resources, productive potential, and the ability to feed everyone on earth. The new development approach we propose is also inspired by many examples of best practices at multiple scales on which we can build to enhance sustainability, wellbeing, and happiness.

We are also particularly encouraged by the emerging global consensus expressed in both the July 2011 adoption, without a single dissenting vote, of the UN resolution on happiness, and in the remarkable 2nd April meeting at the UN where we were joined by 800 distinguished leaders in every field and section of society including the UN Secretary-General.

We have also been deeply encouraged by the burgeoning global interest in our own domestic efforts to pursue a GNH path:

- In pursuit of that vision, 80% of our country is now under forest cover and 50% is under environmental protection. We have vowed to remain a net carbon sink in perpetuity, and we are working towards becoming fully organic in food production.
- Protecting nature in such ways has not come at the expense of economic dynamism. We have achieved a 50% reduction in our poverty rate in the last five years alone and many other markers of economic and social progress.
- We now regularly measure progress according to a comprehensive Gross National Happiness (GNH) Index consisting of nine domains and 33 indicators, and we use some variables drawn from these indicators as a screening tool to assess all policies to ensure they meet ecological, societal, cultural, economic, and governance criteria.

By no means do we make any claim to have achieved GNH in Bhutan. We have a long way to go and indeed we know that, in our interdependent world, we cannot realize that vision in isolation. And so it is with delight that we recently received the UN Secretary-General's note on *Happiness: Towards a Holistic Approach to Development*, which acknowledges Bhutan's efforts and describes the growing international, regional, and national efforts to account comprehensively for progress.

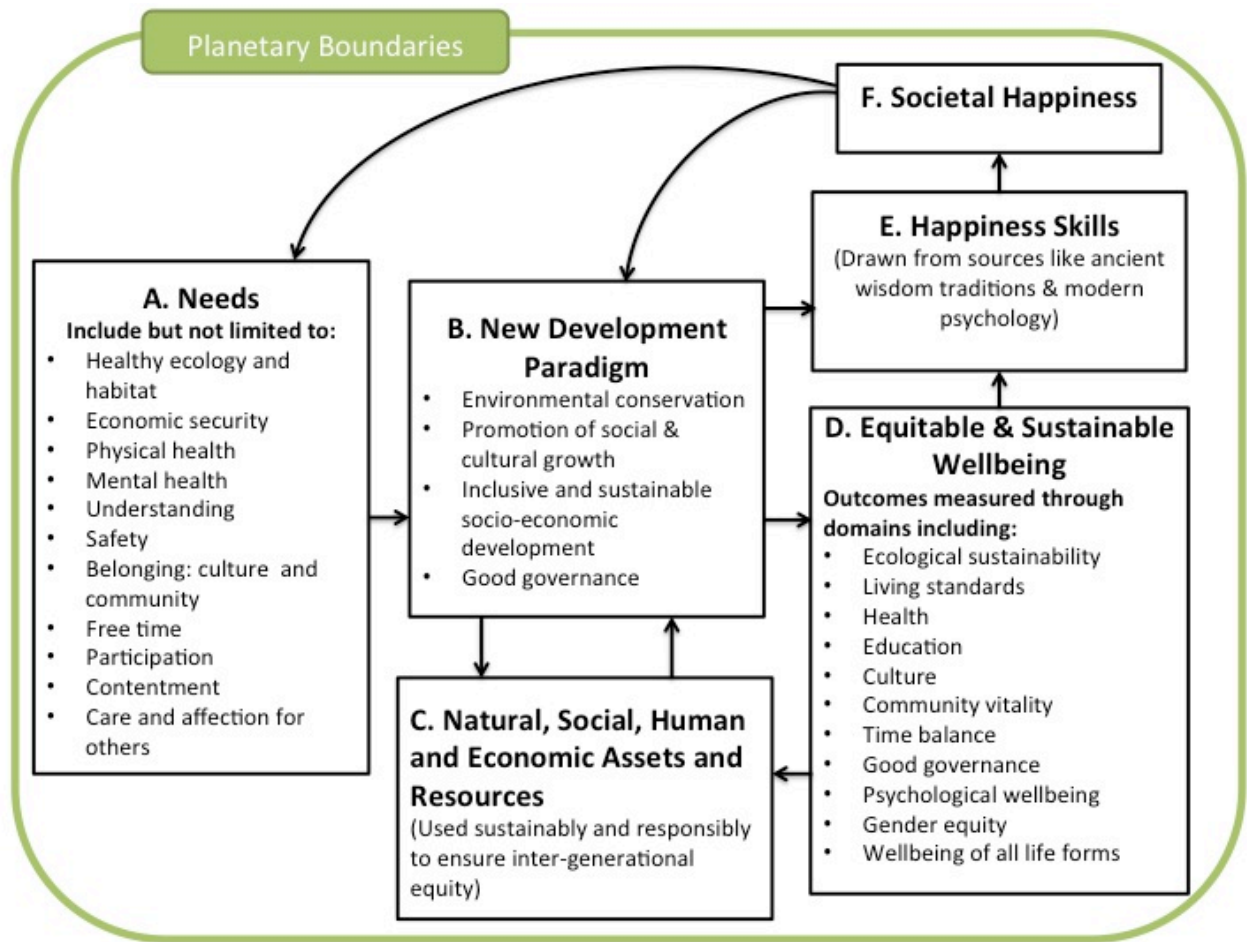
The time has never been more opportune to re-orient the goal of development towards genuine human happiness and the wellbeing of all life. There is a growing global consensus on the need and urgency for such a holistic new model. We have the knowledge, means, and capacity to chart this new path and nations and communities worldwide are already blazing this path.

E. The new development paradigm

We propose that a new development framework must first identify explicit needs that development must address towards achieving wellbeing and human happiness. It must detail the necessary structures, policies, and regulatory mechanisms to conserve nature, attain inclusive and sustainable economic development, promote social and cultural growth and strengthen good governance. To achieve these goals, the framework will suggest policies for the responsible and sustainable management of natural, human, social, and economic assets.

The new paradigm will envision societal wellbeing as the desired outcome of these structures and policies, and propose these to be assessed and measured according to nine domains —

ecological sustainability, living standards, health, education, culture, community vitality, time balance, good governance, and psychological wellbeing, each with specific progress indicators. The framework will recognize that certain skills, drawn from sources like ancient wisdom traditions and modern psychology, are needed to transform wellbeing outcomes to the higher state of human happiness. In turn, the degree of societal happiness will determine the evolving needs of development. A basic illustration of the framework is provided below.



The Kingdom of Bhutan is honoured and delighted to join and contribute to the global effort to chart a new path for human society. We believe that the work of the International Expert Working Group will help integrate the diverse initiatives and approaches into a common framework to fulfill humankind’s highest aspiration. We also believe that changing the course of human destiny in the most sustainable, equitable and meaningful way will require courage and commitment from every individual, community and nation alike.