

Dr. Ron Coleman

RM: You have been involved for many years in efforts to develop methods of assessing our progress that go well beyond the standard econometric measures. It is a fairly radical programme you are involved in, trying to shake us out of an approach that has centred for a long time on increasing Gross National Product/Gross Domestic Product as the primary aim of government and business. I wonder if we might begin by my asking you what exactly is wrong with these standard measures that seem so appropriate to so many.

RC: Well the real problem is not with GDP which is used to measure the size of the economy, as long as GDP is used just for that. It measures the quantity of economic activity – how much production and consumption of goods and services is taking place and for that, it is fine. The problem has been that since the Second World War, GDP has been used in a way that it was never intended for and which its architect never intended it for. Simon Kuznets, the Nobel Prize winning economist said explicitly that it should never be used to measure the welfare of a nation. If you want to know how well a nation is doing, you always have to ask what is growing and not just how much things are growing. But since the Second World War, it has been used as a standard measure of how well we are doing as societies. There is an assumption that if the economy is growing then we must be better off and it is interesting that they use the language of health which is the real indication of how much it is being used as a measure of wellbeing. We talk of a ‘healthy’ economy, a ‘robust’ and ‘strong’ economy if it is growing. If it is not growing so well, we talk of it being ‘weak’ and ‘sick’ and if things get really bad it

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suffers a 'depression'. We are using the language of wellbeing simply to describe if the economy is growing or not growing. There is then a confusion that is now deeply entrenched in the system. GDP is the measure of wellbeing for the World Bank and the International Monetary Fund. Governments use to compare how nations are doing, and so they are classified as less developed, least developed, or advanced and it is measured in exactly the same way from Addis Ababa to London. It has become very powerful, but also very dangerous because it sends highly misleading signals to policy makers and distorts policy in dangerous ways.

First of all, it is disastrous for the environment because it actually counts the depletion of our natural wealth as if it were economic gain. So, the faster we cut down forests, the quicker the economy grows. The more fish we catch and the faster we catch them, the quicker GDP will grow. This may not have seemed like a bad thing when the GDP was constructed, nobody believed that natural resources were limited. There was no idea that you could fish a stock to extinction. But now we know that it is catastrophic to account for what we extract in the way of natural resources but not keep track of what we leave behind. We forget to take into account the health of our remaining forests and our marine systems. We know for example that we are rapidly losing our big fish stocks - they are dying out all around the world. The same applies to soils, we focus on increasing yields by any means - chemicals, fertilisers, pesticides, insecticides - whatever will make it grow faster. But now we have large numbers of Indian farmers committing suicide because of the failed promises of the green revolution. Yields did go up for twenty years, but now the soil is so depleted and so degraded that its base productivity is gone. When the Atlantic ground fish stocks collapsed, the fishing industry in Atlantic Canada was experiencing record landings up to the moment the stocks collapsed. It was a boom industry. Then overnight, the fish disappeared and 40,000 jobs were lost. There is a false dichotomy made between the environment and jobs but it is clear that if we do not pay attention to the

health of our basic ecosystems, the economy will eventually suffer. So, relying on GDP to measure progress is not only disastrous for our natural wealth but also for our social wealth and our human wealth. We do not recognise that these other forms of capital also suffer depreciation. So, misusing GDP to measure progress is simply bad accounting. It is like a factory owner selling machinery to get money in his pocket in the short term. Next year, they will not be able to produce anything and the money will be gone. That is the way we are treating natural and social wealth. Its degradation is taken as profit. In the context of a factory owner, they would not be allowed to keep their business accounts in that way, it would be completely unacceptable to treat the depletion of capital as profit or gain. But we do it with our national accounting systems. So, that is one major flaw.

But there is another major flaw, and that is you cannot use a measure of quantity to assess quality of life. How large the economy is tells you absolutely nothing about wellbeing. In fact, scientists tell us that the only organisms that thrive on limitless growth are all highly destructive. The cancer cell thrives on unlimited growth, as do weeds and algal blooms which destroy lakes. A system that is based on a limitless growth paradigm is in fact disruptive. Nature when it is thriving does so in equilibrium, not too much water, not too little, not too much sunlight and heat and not too little. It thrives not on endless growth, but on finding balance and equilibrium between the elements. We have lost that balance and are trying to use a quantitative measure of limitless growth to try and measure quality of life and it is just not possible. It is an absurd effort that leaves us with absurd conclusions. One of the fastest growing sectors in the US economy over the past 10 years has been imprisonment that is growing at an average rate of 6.2% per year. The prison building industry is a 7 billion dollar industry and it costs \$35 billion more to run those prisons. There are whole towns in the US that wholly depend on the prison industry and the United States has 25% of all prisoners in the world and the highest rate of incarceration anywhere including Iraq, Iran,

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South Africa and Russia. It is a major growth economy. It helps us realise how foolish it is to measure something that is inherently a sign of deterioration in the social quality of life as if it were gain and progress.

Another example that Marilyn Waring uses is that of the Exxon Valdez. It contributed far more to the GDP of Alaska by spilling its oil than it what it would have if it had safely delivered its oil to the port. All of the money spent on the clean-up, all of the journalists flying back and forth, the legal costs, the repair costs, the replacement of the ship - it is all growth. And what pulled the US out of recession in 2001? Spending on war! So, whenever money is being spent, the economy grows. You might even say climate change can be great for the economy. A lot of money was spent after Hurricane Katrina. It is very hard to take action on climate change when more spending on fossil fuels, more pollution and even more disasters all make the economy grow. I know that we in Canada would much rather spend hundreds of millions of dollars talking about Kyoto than actually doing anything about it. Canada has ratified Kyoto but every year our greenhouse gas emissions continue to go up. What would it take to get the Prime Minister of Canada to go on television to say “next time you buy a car, buy an efficient one with low emissions? Don’t buy an SUV.” It costs nothing for the leader of a country to transmit that message. But we will never do it because Canada is dependent on the automobile industry. In southern Ontario, there are General Motors and Ford. It is not even an issue of left and right politics. The United Auto Workers are not going to stand for any measure that threatens their industry and jobs. So, there is no attention being paid to conservation or to fundamentally restructuring industry.

Twenty years ago, Denmark looked to the future and saw that it was not in oil and gave substantial subsidies to businesses to create a wind industry. Within three years, it was so strong that the government no longer needed to support it and today

wind power is a growth industry and is in huge demand. Denmark has state of the art technology, its wind turbines are exported around the world. So, growth industries can be environmentally benign. It comes back to what Simon Kuznets meant when he said that we need to look closely at what is growing. Is it benign or destructive to wellbeing? A straightforward quantitative approach can not make those distinctions and so we get these absurd situations where wars, pollution, fossil fuel consumption and more sickness are institutionalised because they help make the economy grow. So, a second major flaw is that a single quantitative measure of GDP is blind not only to deterioration of our natural ecosystems but also to social ones. Trying to use a quantitative measure to assess qualities will lead to those kinds of absurdities and to think that policy is being made on that kind of misinformation is truly frightening.

RM: What kinds of additional qualitative social indicators should we be paying attention to then, if we want to get a bigger picture of our collective wellbeing?

RC: Well, some things really do contribute to our wellbeing. Personally, it is questionable to me that every additional lawyer, stockbroker or advertising executive contributes to our wellbeing. The more of those people we have, the better off we are? You would be hard pushed to draw some sort of a direct line between many of these professions and social wellbeing. They certainly contribute to GDP and economic growth and we have lots of information on how much but there is virtually no information on volunteers. Why not? It is an important sector and people volunteer to contribute to the wellbeing of their communities. That is why people help the elderly, the sick, the youth in need, coach teams, teach literacy, etc. The whole arts and culture industry is supported by volunteers. Theatre, art, music, sport they too depend on volunteers. Fire-fighters, search and rescue teams, environmental groups – they all make a huge contribution to social wellbeing. We calculate that if volunteer work were

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given a monetary value, it would constitute about 10% of our economy – more than all government services combined. It is a huge contribution that is completely invisible and completely unvalued because no money is exchanged. It is a contribution both to social wellbeing and to the economy. If those people were not doing the work they are doing, only one of two things could happen. Either the quality of life would plummet for the sick, elderly and disabled, or you would have to replace their contributions with paid services that would cost a lot more money. So, here you have a huge contribution to the economy and to wellbeing that is completely unvalued.

What is the consequence of that? In Canada volunteer work declined by 12.3% in the last decade. But does any politician in the country know that statistic? It has never been debated in the legislature. If the automobile industry were to fall by 12.3% or GDP fell by 12.3%, that would be a depression and cabinet would be meeting around the clock to organise massive tax-payer bail-outs for the industry. A decline in social volunteering is invisible and because it is not counted, it is value-less. Women's work too is generally devalued and is often unpaid around the world. It is work, very hard work, but it counts for nothing. Marilyn Waring is the pioneer in measuring women's work and it is ironic that if you have a stranger looking after your child, it helps GDP but if you look after your own, it literally counts for nothing. Hire a housekeeper to keep your home and the GDP goes up but if you marry her, GDP goes down. We count something as growth when nothing in reality is growing. Work can be just as productive when it is done in the unpaid sector in terms of producing the same outputs. A lot of what we have counted as growth in the last fifty years is nothing more than a shift of work from the unpaid to the paid economy. It is not growth at all. Its not growth as viewed from a happiness point of view or from a more spiritual point of view.

One of the things that should be mentioned here is that what is important for people to make that kind of personal

transformation is time for reflection. That has to be the basis of any individual transformation. But free time which is a fundamental pre-condition for that also counts for nothing. On the contrary, the more hours you work for pay, the more the economy grows. Recently, we have seen an increase in total work hours. The average dual household today is working more than 20 hours a week extra compared to a hundred years ago. With paid and unpaid work rising, we have a squeeze on free time and that has implications that are not being considered on any policy level. As a result, stress rates continue to go up and up while Valium sales and other anti-depressants feed into GDP growth, so it really is absurd.

Another thing GDP leaves out is how wealth is distributed. The economy can grow even as the gap between rich and poor grows as it has been doing. The gains of the very rich can raise the GDP per capita figures even if 50% of the population is getting poorer. So equity is a non-issue in these figures. The depletion of natural wealth, failing to value unpaid work and free time, the strength of our communities, our wisdom and knowledge as societies, equity - the list of what we fail to account for is endless.

RM: It is an interesting way of putting it. The curious thing I find about the myopia of standard measures is that the inclusion of things that harm us seems related to a unhealthy public and individual consciousness that is driven not only by the structural violence of greed and gain, but also by a deep disconnection from nature and from the healthy social networks that facilitate wellbeing and happiness. Do you think that an overly-narrow measure of economic growth compounds this problem?

RC: It fosters it. We could say that what we measure reflects the values of our society and so the more materialist a society is, the more likely it is to use GDP because it reflects that materialism. It measures how much stuff we buy and

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produce. So yes, it is a reflection of the materialism of our world. But interestingly enough, we have done our own survey work at the community level where we gave people 10 values and asked them to rate them as guiding life principles. They were ranked from 1 to 10, from not important to extremely important. The values were things like family, responsibility, generosity, spirituality and we included material wealth, career and pleasure. So what are the fundamental principles that guide people's lives? Of the ten that we gave, the one at the bottom of the list, the one having the smallest number of people ranking it 8, 9 or 10 in importance, was materialism. Less than 1 in 5 said that this had high importance for them. More than 90% said family was highly important and 8 out of 10 ranked responsibility and generosity as highly important. It was the non-material values that topped the scale of what matters to people and not the material ones. You could say then that the GDP does not genuinely reflect peoples' sense of values. In their hearts people know what creates value and what does not. So you can say current measures are out of sync with what people really value. We assume that our society is consumerist and materialist but really, that too is a myth. If you probe and ask people what really matters to them, very quickly you find out that materialism is not highly valued. But GDP puts policy makers in a terrible position and the purpose of developing more inclusive measures is to provide them with good information. What is the state of our natural resources? What is the state of the environment? Are our communities becoming safer and stronger or not? Is the gap between rich and poor growing or not? All of this information has to be included so that comprehensive information can be used to make more appropriate decisions.

RM: As you talk, I have a picture in mind of someone driving a car and not taking their eyes off the speedometer to see if there is a cliff or a bend ahead. It is clearly myopic when we are made conscious of the connections between our individual and collective actions and outcomes of importance—sustainability, social justice and so forth. What is the

relationship between these sorts of dimensions and Gross National Happiness?

RC: There are two things. The accelerator example is a good one. I do not know if you have ever looked inside the cockpit of an airplane but there are a whole host of panels and dials and instruments. Just imagine if you had to fly that plane paying attention only to how fast you are going. It would be a disaster and it is an example that David Suzuki uses too. We need to use the full range of natural, social and community health indicators. Now these things do not make happiness in and of themselves, but you could say that they are conditions that improve the opportunity for happiness. If you are living in poverty and struggling to make ends meet, or trying to feed your family and not knowing whether you will be able to, or if you have just been evicted from your plot of land, or if you are freezing in winter time, your existence is dominated by worry and happiness has less of a chance. It is not that having food, shelter, health and money create happiness but having them offers the opportunity for happiness. In those ten values I mentioned earlier, financial security was rated much higher than material wealth so we do need to know that our fundamental economic needs can be secured. Having security creates the opportunity for happiness although having all of these things, one might still be miserable. One could have a lot of free time and use it to play video games and watch television. Our research shows that high levels of watching television are associated with high levels of depression. Free time can be misused and squandered but it also provides the opportunity to reflect or contemplate, to exercise or hang out with friends. So again, free time does not cause happiness but it provides a helpful condition. The same is true with all of the things we measure – the health of the environment, the safety of our communities, livelihood security, the gap between rich and poor, population health, educational attainment etc. None of these in and of themselves can create happiness but they produce opportunities for happiness. Ultimately, it is up to every individual to use those conditions for benefit. That can not be legislated for by any government

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because one cannot legislate happiness. But you can provide the conditions.

You can look at it from a spiritual point of view. Why do we have a shrine-room to practice meditation? Why do monks go to the temple? It is not because the temple is happiness but that there you can create certain conditions that are conducive to your practice. There everything is arranged so that it aids your practice. In the broader setting, we are trying to do the same thing at the societal level. Metaphorically, it is the same as the temple and the monks. We want to create social conditions which give people the greatest opportunity for being happy - for realising their potential. The conditions are very important. We know from research that there is a strong correlation between every dimension we have been talking about and expressed satisfaction with life. They correlate well. Social support is particularly interesting. The more social supports people have, the more likely they are to be happy. When people are isolated and have no one to turn to in times of crisis, or have no-one to help them with important decisions, people are much less likely to say they are happy with their lives. So, if we can foster these conditions we have a real opportunity to structure societies which have the maximum chance of being happy. Ultimately though, it is down to the individual to make the most of those conditions.

RM: Wonderfully put. I am particularly struck by how consonant that is with Buddhist notions and particularly with what Bhutan is trying to do by creating the social, political and environmental conditions for people to flourish in-if they so choose. It seems to me that culture is particularly important here in encouraging people to aspire towards those ways of thinking, acting and being that are constructive to maintaining ecological, social and personal balance. I am wondering how you view Gross National Happiness as a potential organising agenda, particularly at this time in our collective history when the environmental system you spoke

of is under such enormous strain and along with social polarisation, it suggests that we need to change very rapidly. How do you see GNH playing a role in moving towards a more sustainable and just global system?

RC: When the fourth King of Bhutan said back in 1974 that Gross National Happiness is more important than Gross National Product, it was very powerful because people immediately understood the deeper meaning. As John Ralston Saul said at the second meeting on GNH, it immediately involves a paradigm shift because it uses the language of GNP but suddenly turns it on its head. The way the King said it changes the language and shifts the paradigm towards the non-material bases of wellbeing. It immediately challenges the value of materialism. It asks what the goal of our society really is. Is it about having more stuff, or is it about deeper considerations such as are we happy? And why has it suddenly become so powerful all around the world as a potential organising principle? It is because the term itself is a critique of our entire materialist obsession. It is like seeing yourself in a mirror. The very words are transformative. It takes one set of meanings and turns them on their head and points beyond the limitations of this consumerist, materialist worldview that is destroying the world.

But if you try and break it down too much you can run into problems. What is the difference between Gross National Happiness and Gross Individual Happiness? You could argue that national interests are just concepts. Nations are just artefacts. East Timor for example, exists because in 1501 the Netherlands and Portugal decided to carve this island down the middle. It is a legacy of colonialism. What is Canada? Many people in Quebec would prefer to think that they are not a part of Canada. So what is Canada? It is a creation of colonial Europe. Laos, Cambodia, Thailand, they are all artefacts. Burma has 135 different ethnic groups and 7 major minorities but the British authorities created one state. The map of Africa is wholly artificial. So, I would not want to use

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the concept of GNH to somehow make more out of the nation. Happiness ultimately is dependent on individuals, even if the conditions are all helpful, to take the next step. But really there is no distinction between individual, national and universal happiness. If interdependence is a reality, then compassion is not a feel-good thing – it is simply the reality that you cannot be happy unless other people are happy. If you are connected to them, and if you gain enough wisdom to recognise that we are completely interdependent with the rest of the world, then it is a universal happiness that we are talking about. In other words, I think that as a paradigm shift GNH is enormously powerful. It is inherently a critique of our materialist world and our consumer obsession. It is brilliant actually. But we have to be careful not to become too academic about it and try and break it down intellectually because the happiness of the individual, the national and the universal are ultimately part of the same picture.