Rethinking Development

Proceedings of Second International Conference on Gross National Happiness

The Centre for Bhutan Studies

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All those working to share the concept and practice GNH nationally and internationally are indebted to His Majesty the Fourth Druk Gyalpo, Jigme Singye Wangchuck for the inspiration he has unleashed. May GNH spread in all directions and languages.

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INTRODUCTION*

The Second International Conference on Gross National Happiness was held at St. Francis Xavier University in Antigonish, Nova Scotia, Canada, from June 20 to 24, 2005. Though few of those who attended the conference from outside Nova Scotia may have been aware of it before their arrival at the conference site, or even during the conference itself, Antigonish was a most appropriate place for a conference on "Rethinking Development: Local Pathways to Global Wellbeing," the name and focus of the conference. Antigonish historically had been a region of social experimentation in a variety of ways at various times in its history. Now, again, it provided the venue for reconsidering traditional and orthodox patterns of thought and action in the spheres of social and economic development; traditional and orthodox because, on the whole, they are unquestioned by main-stream policy makers and official institutions.

The First International Conference on Gross National Happiness, "Operationalizing Gross National Happiness," held in Thimphu, Bhutan, from February 18 to 20, 2004, was organized by the Centre for Bhutan Studies. That first conference took up a challenge laid down by His Majesty the King of Bhutan, Jigme Singye Wangchuck, when he declared that Bhutan's development would be measured and evaluated not in terms of Gross National Product but in terms of Gross National Happiness. The concept of Gross National Happiness (GNH), not only as a way of measuring development but as a redefinition of the objective of development itself, and potentially, therefore, of the means to achieve development, struck a response chord not only within Bhutan but in many parts of the wider world.

In 1998, Lyonpo Jigmi Thinley, then the Chairman of the Council of Ministers of the Government of Bhutan, and now the Home Minister, addressed the UNDP Millennium Meeting for Asia and the Pacific Conference in Seoul, Korea, on Gross National Happiness. In the years since the idea has brought together various individuals and groups, reflections and practices, under rubrics such as "wellbeing" and "happiness," concerned with such diverse matters as environmental protection, intelligent use of natural resources, cultural preservation, personal growth, good governance. As a glance at the programmes for both the First and the Second International Conferences on Gross National Happiness will show, the rubrics may be many but the concern that subsumes them all is singular: something is wrong with the way

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things are going economically, socially, environmentally, and if we do not find an alternative approach to the development of the human community, the statistical success that is, or will be, indicated by measures such as Gross National Product may spell something approaching less than success (disaster?) for human beings.

Perhaps it was not entirely fortuitous that the King of Bhutan understood the difference between statistical development and social wellbeing. In a poignant way, Bhutan had, and perhaps continues to have, certain advantages that are unavailable to the more developed parts of the world. First, it was remote from the main thoroughfares of communication across the world. Today, since the introduction of television in 1999, it may be less remote, but it is still the case that its remoteness gives it an opportunity for contours reflection on the processes of "modernization" before rushing headlong into them. Second, it is, as we used to say, "underdeveloped," which in this case means not only that it lacks the material standards of living characteristic of, say, Europe, North America or Southeast Asia; more importantly, it lacks the institutional structures that may lock it into place on one, and not another, path of development and change. Third, it is poor, which means that "wealth" is not yet a clearly defined object, although that is certainly changing in some urban centres. These three characteristics: remoteness, underdevelopment, and poverty, allow Bhutan to consider the futures available to it and to plot out the path or paths it may want to follow to achieve the objective defined by His Majesty.

The First International Conference on GNH was intended to explore ways in which this concept of "happiness" as an objective of economic and social development could be operationalized in terms of both policy and evaluation of change. A great deal of time and energy at that conference was spent wrestling with definitions of the concept of happiness or wellbeing itself. On the one hand, it cannot be said that any definitive conclusions were reached about either action or thought in this regard. However, the conference must be judged a resounding success from the fact that it was a milestone in the history of international discourse on the topic; indeed, in many ways, it may be said to have opened up the discourse, bringing together as it did people from so many lands and cultures into one room, the Banquet Hall in Thimphu, where discussion and sometimes even debate took place in an open and free atmosphere shaped by concerns shared by the participants. All this is reflected in the proceedings of the conference (*Gross National Happiness and Development*, 2004, Thimphu: The Centre for Bhutan Studies).

The Second International Conference on Gross National Happiness, "Rethinking Development: Local Pathways to Global Wellbeing," had an

entirely different character from the First Conference. If the Thimphu conference focused to a large extent on the concepts themselves, the Antigonish conference emphasized the exploration of practices and the sharing of actual experiences. The second conference built on the first and carried the subject further by focusing on what may be thought of as "reports from the field" as indicators not necessarily of the state of achievement of Gross National Happiness but of the variety of experiences and experiments "out there" that can orient us in one or another direction as we seek ways to operationalize the concept.

The range of experience and discussion stretched from the personal to the collective, and this could not have been better demonstrated than by two events at the opening session of the Conference. The first was an intense performance by a group of drummers from the Mi'kmaq First Nation. It was a collective performance that was experienced individually by every participant present in the MacKay Room at the Bloomfield Centre of St. Francis Xavier University in Antigonish, the host institution for the conference. The second was Guided Meditation conducted by Sakyong Mipham Rinpoche on the topic "Inner and Outer Development and the View of Interdependence: Reflection on inner motivation and inspiration and its connection to creating a better world." The participation of Sakyong Mipham Rinpoche at the beginning of this gathering was particularly appropriate. He is the head of the Shambhala Buddhist lineage. Shambhala is a mythical land in Buddhist imagery, which is a kind of utopia where not only do people live an ideal Buddhist life, with the profound social and personal implications that implies, but where the virtues required to live that kind of life and to defend it are cultivated, most particularly the virtues of a courageous warrior. Not only the content of the Rinpoche's talk and meditation but his very presence at the opening of the conference suggested, perhaps, the virtues that the struggle for Gross National Happiness and redirecting the development process require.

It is a pity that neither the drumming nor the guided meditation can be reproduced in this volume, because each, in its own way, using its own medium of discourse, encapsulated the spirit of the conference that followed the opening session.

The Conference proceeded in a variety of formats from June 20 to 24, 2004. It is a tribute to its organizers that it gave the participants such a range of formal and informal means of learning and communicating with each other. In addition to the plenary sessions, there were workshops in which participants engaged each other on subjects that ran the gamut from "globalization and wellbeing to "natural building, walking, contemplative practices." Some of the most important topics were raised,

and experiences exchanged in these workshops in an informal way. The clustered together around the "Four Pillars of Gross National Happiness": economic development, good governance, the environment and cultural preservation and development. To cite but one example: in the workshop entitled "The Role of Indigenous Knowledge in Nation-Building and Environmental Sustainability," Canadian First Nation representatives spoke in pragmatic terms about particular ways in which environmental policies were related to tradition and to indigenous knowledge and how each impacted on the other. A discussion of the relationship between the modernization of fishing practices and traditional social structures and knowledge turned a remarkable demonstration of the ways in which experience could be exchanged between people drawn from profoundly different cultures.

Other opportunities to learn and exchange were provided by a documentary film festival that engaged almost every topic discussed at the conference, by "nutrition breaks," musical performances, scheduled contemplative practices for those who wished to participate in them, and perhaps most important of all, ample time and space for informal discussions in the hallways and on the spacious, if sometimes very warm, grounds of St. Francis Xavier University. This volume of selected papers from the conference at Antigonish can do no more than indicate the richness of the experience and the breadth of inquiry made possible.

These papers fall roughly into four categories. The first consists of the address of the Honourable Myra A. Freeman, the Lieutenant Governor of Nova Scotia, delivered at the opening session on Monday, June 20; the keynote address by Lyonpo Jigme Thinley, Bhutan's Home Minister, and former Prime Minister, delivered on June 21; and the final keynote address by His Excellency John Ralston Saul, delivered on June 23. Taken together, these three addresses framed the conference itself and directed the participants' attention to the future, after- and beyond-the-conference.

The second category contains one paper that is highly suggestive of the state of research into happiness and wellbeing, and the relationship of this research to economic and social policy. In recent years research in this area, often but not always based on statistical methods or the development of indices for happiness and wellbeing, has become very ramified indeed, and the paper published here only indicates the range of the types of research available.

The papers in the third are in the nature of "field reports" about specific practices, experiments, and experiences in the kinds of institutional and socio-economic change that aims at happiness and wellbeing. Finally, the fourth group includes four papers that remind us

that the past must speak to the future through the present, and that express the hope that must necessarily underlie all our endeavours. It must be noted that not all papers presented in the conference are published in this volume, and not all papers published in this volume were presented in the conference.

The Framework

The Honourable Myra A. Freeman, the Lieutenant Governor of Nova Scotia, opened the conference by pointing out that Bhutan and Nova Scotia were embarked on the same project, and that the conference had been inspired by His Majesty's and Bhutan's concept of Gross National Happiness. She defined it as the idea that "wellbeing arises in a society when sustainable and equitable development is balanced with environmental and cultural preservation and good governance." She followed this by insisting, "But that, surely, is an aspiration for all peoples and all societies everywhere – not only in Bhutan. Certainly here in Nova Scotia we aspire to create such a good and decent society right here on this very land…" Once that kind of society is built, she more than implied, Nova Scotia, like Bhutan, "… truly aspire[s] to be a beacon of good and balanced development from which others can learn and draw inspiration. Citing the Bhutanese definition of GNH, she suggested that realism and idealism are joined in the willingness to "listen and to learn from each other," the very purpose of the conference. In short, and in a brief and succinct fashion, she suggested that wellbeing cannot be the result of development; it must be within the very process of development. The "end" must be one of the "means" if a good and decent society is to be created. She laid down the gauntlet, not only for the conference but also for contemporary mainstream development theorists and practitioners, perhaps particularly of the Neo-liberal free-market persuasion.

Lyonpo Jigmi Y. Thinley, former Prime Minister, now Minister of Home and Cultural Affairs of Bhutan, and the President of the Council of the Centre for Bhutan Studies, picked up the Lieutenant Governor's challenge in his keynote address, "What is GNH?" He pointed out that GNH is a "holistic" approach to human needs, because without addressing both the material *and* the spiritual needs of the people-and-society, the "good and decent" society to which the Lieutenant Governor had referred, cannot be achieved. The core of GNH, he suggested, is that *both* physical, including social and economic, and spiritual wellbeing must be developed together in this modern world. The one without the other will not bring real happiness. For example, emphasis on "individual, competitive good" will not result in happiness. "We in

Bhutan are concerned," he said, "as to whether we would be able to create an alternative path of development that would cater to the cultivation of the fully developed human being and society. The fully developed human being is not the same as putting [the individual] human being at the centre of development." In the present climate, then, GNH is not just an operational challenge; it is a conceptual challenge to both established theory and received spiritual wisdom.

Wealth, the speaker argued, does not bring happiness in and of it self, and this conclusion is supported by research data. That being the case, if human existence is in its very nature holistic—the computer engineer and the peasant are at one and the same time both economic producers and spiritual human beings – the Home Minister asks, "Our physical needs may be addressed by the market and consumerism, but what about these social and communal bases of emotional wellbeing that are diminished by market economics?" GNH is concerned about the fact that what we might call "modernity" results in certain real problems, among which are issues of social existence, such as the weakening of the family structure, aging, the apparent increase in mental illness, depression, alcoholism and suicide, much of which is symptomatic of the consequences of market-led development based on "market economics."

GNH, he continued, "is a broader concept than our current specifications of GNH." GNH itself is a dynamic concept that must respond constantly to real challenges in the political and material world if it is to fashion a better society. "What is certain," he said, "is that in a state bearing responsibility for collective happiness, GNH must be a serious arbitrator of most of its public policies." The state cannot simply be a facilitator of development and wellbeing. "…it is very challenging to even envision what a GNH state would be like. The nature and theoretical foundations of a modern development state or libertarian democratic state are well-known. But the structures and processes of a GNH state are yet to be defined clearly, if it is at all distinct from either the ascendant liberal state or retreating socialist state. What will be the nature of GNH political economy?" In other words, the concept of GNH poses important theoretical challenges that must be faced if GNH policies are to lead to a better, a more decent society.

The minister raises profound issues for developing societies, like Bhutan, to consider. For example, he says "I also find the emphasis on rule of law to regulate human interrelationships intriguing. There is a paradox in preaching against conformity and promoting rule of law at the same time. Excessive emphasis on the rule of law to the extent of regulating most forms of human relationships and conduct by the state at the cost of social and customary norms and practices is, in my opinion,

state coercion to conform." At a time when so many developing nations have accepted the concept that the "rule of law," as it developed in the North Atlantic community historically and upon the adoption of which that community is insisting as a *sine qua non* for economic development and as a sign of commitment to its style of modernization, the Bhutanese keynoter's observation requires further and most careful consideration and could itself well be the subject of an important conference.

In the global context, he concluded, "The only difference between Bhutan and others is that we do not dismiss … [this search for alternatives] as a utopian quest." Nor, indeed, did anyone else at the conference.

John Ralston Saul is one of Canada's pre-eminent political and social philosophers and a much-published keen analytical critic of the global scene. In his final keynote address, which he delivered on the last official day of the conference on June 23, he neatly completed the frame that Myra Freeman and Lyonpo Jigme Thinley had begun to construct on the first and second days. As the husband of the Governor General of Canada at that time, he commented on the subject at hand from a unique vantage point. Calling Bhutan "truly a remarkable country," he continued suggested that "it is not an accident that it's come up with one of the most disturbing concepts – 'Gross National Happiness'. Disturbing because it upsets completely what's in place everywhere else. Displaying his own sense of hum or, he went on:

> It is also a wonderful revelation of the Bhutanese sense of humour, which is laced with irony. And when faced with the boring certainty of Western economists, it is not at all surprising that His Majesty knocked them off their comfy chairs – he came up with a theory which they could not even understand. It is very Bhutanese, and tells you a great deal about the strength of their culture.

Gracefully weaving the concepts of GNH into the experience of Canada's First Nations in the far north and into Western history, he pointed out that this concept of happiness

> … which has absolutely nothing to do with 20th-century theory of happiness. I mean, the Enlightenment theory of happiness is an expression of public good, of the public welfare, of the contentment of the people because things are going well. As opposed to the 20th-century Disneyland theory that happiness is a bright, white smile. One should not confuse these two ideas.

The contemporary mainstream discourse in the West about "the nature of the public good, the nature of democracy, the nature of citizenship, the nature of economics, the nature of what we ought to be

doing" has been a failure not in the end but "along the way." The public discourse of the West must be changed, he declared. "It's actually very valuable that an idea like Gross National Happiness would come from *outside* the West. Indeed, it's much more likely that the idea would come from outside the West. Remember, in the 18th century, a large part of the ideas came from Asia. They did not come from Europe. They were *adapted* in Europe. "Once we accept that central language," he insisted, meaning the language of the dominant discourse on development in all its aspects, "which is the *wrong* language," we fail. GNH, he claimed, pointed at a new discourse, "a tough message". Quoting Lyonpo Jigme Thinley, John Ralston Saul neatly closed the frame within which the conference had taken place:

> "The conventional development, or economic growth paradigm, is seriously flawed and delusional." Note that he said "delusional." He is a Minister. He had no fear to use a word as strong as that, because it is only by using words that mock ridiculous language that you can knock it off its pedestal. And it *is* delusional – he is absolutely right. Why be polite?

And then he went on to say, "There is a growing level of dissatisfaction with the way in which human society is being propelled, without a clear and meaningful direction, by the force of its own actions." In other words, by this sense of inevitability, of "there's nothing we can do – we must remain passive" or "We have to move very quickly, and arrange the details so that we don't do too badly out of these inevitable forces which are rolling ahead of us."

Virtually all of the dominant economic theories in place were invented in the late 18th century to the mid-19th century – Smith, Ricardo, the whole rest of it – and we've been feeding off this stuff ever since. They were all based on societies in scarcity – agricultural, industrial scarcity. And competition, as defined by them, was part of a race through technology towards surplus, and that's what got you fair prices and fair products.

In virtually every area of production in the world today, we are now in surplus, *massive* surplus. That doesn't mean that everybody has access to it, but it's available, if it could be got to people in proper conditions. …

Completing the conference's frame by providing his own incisive critique of "things as they are," so to speak, John Ralston Saul implicitly returned the challenge of GNH and of rethinking development to the conference participants and to Bhutan. Neither political power nor discourse alone will effect change. We must develop a new discourse and gain political power to create a "good and decent society."

Research

Johannes Hirata, from the Institute for Business Ethics at the University of St. Gallen in Switzerland and from Ibmec Business School in Sao Paolo, Brazil, raised an important question in his paper, "How Should Happiness Guide Policy? Why Gross National Happiness is not opposed to Democracy." The paper is included here as an example of the kind of theoretical research which must be produced to provide substance to the concept of GNH. It is suggestive of the kind of research that must develop if we are to produce a discourse of GNH, the new discourse for which John Ralston Saul called.

Hirata argues by way of suggesting a shift in the public debate about development:

> If public debates were centered around happiness rather than economic conditions, one might expect that people's inner life would be taken into the equation of development. In this sense, GNH-inspired theories appear to be more complete than mainstream development approaches that are exclusively concerned with the living *conditions* and not at all with *living*.

Today all policy debates assume, or should assume, a democratic framework in which they need to be conducted. In a representative democracy, as defined in Bhutan's new Draft Constitution, due to come into effect in 2008, there is a presumption, Hirata argues, that the citizens do not surrender their judgment to their elected representatives; they only "suspend their judgment on individual decisions, but their trust (or absence) in decision makers is of course in its turn a judgment,…" However, he suggests indirectly, even a deliberative democracy must function within certain assumptions that go beyond the formalistic structures that constitute a democratic system of governance. For example, he points out,

> …policy recommendations whose aim, or incidental effect, is to seriously undermine deliberative democracy would not be admissible in the same way as an unconstitutional party would not be admissible in a multi-party democracy. "Not admissible" is of course meant in the sense of not being morally admissible rather than in the sense of being illegal.

To a certain extent, the dominant political discourse on democracy may assume the existence of an almost Platonic ideal of a democratic system, much as the dominant economic discourse seems to assume the objective existence of an almost Platonic idea of the economic system it assumes as the basis of the policy proposals that derive from it. Hirata says that "purely mechanical arguments based on alleged natural social

laws" are not sufficient to argue for the implementation, by legislation or administration, of any particular policy recommendation. The system itself cannot be used to legitimate everything it can do.

For example, it would be problematic to recommend a particular measure, even if it concerns the extension of democratic participation rights, based simply on statistical evidence that such a measure tends to increase citizens' happiness. Such a justification reflects a view of citizens as happiness functions and of policy makers as social engineers that have to fulfil some independent objectives. It fails to address the reasons the citizenry may or may not have to make the recommended cause their own.

The ability of a legislature or bureaucracy to act legally in a particular fashion is not sufficient to legitimate that action. The process must be grounded in morality if it is to be legitimate, and Hirata defines morality, in this respect, as meaning that they [parliamentarians, bureaucrats] respect others' moral rights for other than strategic reasons, i.e., to judge and act from the moral point of view. Morality, in this sense, simply means that I do not (ab)use the other only as a means in my strategic calculus, but that I care also about him or her as a vulnerable human being.

Hirata's argument is much more refined and complex than this indicates, but it leads to the inescapable conclusion that both those who act for the people, either as parliamentarians or as bureaucrats, and the people themselves much share some kind of common discourse that grounds, but definitely is not the same thing as, the formalistic arrangements for a democratic system. Legitimacy derives from the discourse; the system cannot legitimate itself.

Reports from the Field

This volume includes seventeen "field reports" which are subdivided into three categories of papers: first, broad research aimed at specific policy developments; second, instances of specific practices; and, third, institutional development.

Broad research

The first category contains three papers. One is a report on an on-going research project. GPI Atlantic, one of the primary organizers and sponsors of the conference, has long been working on the development of more accurate, even more realistic, assessments of current policies, and the paper prepared by Ryan Parmenter, Seth Cain and Judith Lipp, "Assessing the Full Cost of Energy in Nova Scotia: A GPI Atlantic Approach" is an introduction to their work and, at the same time, highly

suggestive of the kind of work that needs to be done elsewhere, both geographically and economically. The report shows that current ways of establishing the cost of an economic activity do not necessarily reflect its real cost and, therefore, the assumptions about the cost of an activity that underlie decisions concerning that activity are not "informed" and serve the interests of one particular group or another rather than of society as a whole.

The report examines the full cost of energy production in the Nova Scotia, but it is primarily demonstrative because it had to be based on available data, which was sufficient for only two categories of phenomena: air pollutants and greenhouse gases. Ultimately, the authors say, the effects of "the extraction, production, transportation, marketing and use of energy" impact "people's health, the environment, and society… Few of these effects are reflected in the market price of energy." But these impacts are not reflected in the market price of energy and, by extension, figured into any accounting process. The project seeks to use "full-cost accounting" principles for this purpose. (The author of this introduction would like to point out that a Professor of Accounting at a prestigious Business School in the United States once remarked to him that accounting is, after all, an ideological matter, i.e., the decision to use one or another accounting method depends on prior conscious or unconscious ideological choices; accounting is not "empirically objective" in any way.) As the authors point out,

> [The] aggregate cost estimates [produced by the researchers] represent only a small fraction of the true costs of energy as these do not include cost impacts associated with energy affordability, reliability, security, research costs, subsidies, land use, and land and water contamination. Despite these exclusions, limitations and difficulties of costing exercises, the very act of considering the full costs of energy is extremely important.

The real costs that are examined in "full-cost accounting" are "not reflected in decision making." Indeed, "As a society we currently measure our progress primarily according to economic rates of growth." The implication is that a statistically high growth rate that does not reflect the real cost of, for example, energy production, falsifies the significance of the statistical measure of growth. This must have profound implications for economic planning in general and for GNH in particular.

Dr. Chencho Dorji's paper on "The Myth Behind Alcohol Happiness" concerns the issue of the costs of development and modernization. He is a consultant psychiatrist and technical advisor to the National Health Programme in Bhutan and is well-known for his

research into, and concerns about, the relationship between health and GNH.

Dr. Chencho examines alcoholism in Bhutan in an historical, a Bhutanese social, and a Buddhist context. He notes that

> Before modern development started in Bhutan in the early 1960s, production and use of alcohol was confined to domestic use. This was limited by the availability of food grains to brew alcohol and the demands of society….
>
> With development, however, came many changes in Bhutan including changes in alcohol consumption patterns. The production (domestic and industrial), consumption and importing of alcohol in the country has increased significantly in recent years.
>
> Growing affluence due to development not only promotes the use of alcohol but also provides opportunities to pursue pastimes where alcohol is a regular feature. Bars, poolrooms, and restaurants that sell alcohol are mushrooming in urban areas and becoming popular nightspots to chill out after a hard day's work.

The costs in increased health expenditures are high. He notes, "Two studies by the Ministries of Agriculture, Trade, and Industry in rural villages point out that as much as 50 percent of the grain harvests of households are used to brew alcohol each year." Moreover,

> In a drive to increase domestic revenue…, the Royal Government liberalized the sale and cost of bar licenses in 1999. Now there is one bar for every 250 Bhutanese and 10 bottles of alcohol per year for every man, woman and child in Bhutan. This is alarming news to Bhutanese, whose national goal is to achieve Gross National Happiness.

The author suggests that the Bhutanese government pursue with regard to alcohol a policy similar to the one it has adopted with regard to tobacco, namely, impose a ban. In the developed world, the production, advertising, and sale of alcohol is a major industry in whose accounting methods the consequential results of alcohol consumption are not figured as a cost. It is even a politically powerful industry. Dr. Chencho suggests that developing societies still have a choice to make:

> A concerted decisive effort by all Bhutanese in a campaign against alcohol will set another milestone in achieving our development goal of Gross National Happiness. In so doing, we will not only be a step closer to our own target, we will also be contributing to global well-being and happiness.

Kinley Dorji, the editor of *Kuensel*, until recently Bhutan's only newspaper, now published on a semi-weekly basis, and Siok Sian Pek, report on the media in Bhutan and make recommendations concerning the media in the service of Gross National Happiness. With the appearance in 2006 of two new weekly newspapers, and the potential for further changes in the media in Bhutan, their analysis of the impact of the media, including the introduction of television in 1999, and their recommendations for the future, are of very cogent matters.

The media, they argue, are vital to the progress of GNH, and they must play more than the reportorial role that, theoretically, they play in more advanced industrial societies. They write, on a theme already alluded to in this Introduction,

> The Bhutanese media is still in its infancy but infancy can be an advantage. We are starting at the beginning and have vast global and regional experiences to draw from. … Just as *Kuensel* missed decades of the hot metal press and began the newspaper on a modern desk-top publishing system, Bhutanese media can make the best use of the ICT revolution. It must fulfill the progressive policies established by an enlightened leadership.

But, they also point out,

> The Bhutanese media must be conscious that it functions in the environment of a small vulnerable society that survives on the strength of a distinct cultural identity. The development of the media must, therefore, show sensitivity to this cultural and social complexity in the environment of the rapid political transformation. …

GNH represents an enlightened approach to development and change. The Bhutanese media has a central role in the operationalization of GNH, not just to inform, educate, and entertain the audience, but to truly empower people so that they develop the ability and achieve the freedom to attain happiness.

Reports on specific practices

The second subcategory of reports from the field contains five papers, or reports, that are, as it were, case studies of on-going institutional processes that are rooted in the values of GNH and wellbeing.

Catherine O'Brien examined happiness from the perspective of impact on children of urban planning, particularly transportation. Urbanization, as a phenomenon characteristic of the 21st century from Thimphu to Bangkok to any city in the world "means that more than ever, we need to accentuate efforts towards sustainable cities." O'Brien

argues that happiness is "not generally discussed in transportation planning literature. In fact, many adults might even see transportation and happiness as an oxymoron."

"How might cities and towns look if we adopted the notion of Gross National Happiness in our urban planning – perhaps even going so far as to honour the sacredness of individuals and nature?" To answer her question, O'Brien examines the policies and experiences of Enrique Peñalosa, the mayor of Bogotá, Colombia, who "initiated the first car-free day in Bogotá." She quotes one interview with Peñalosa:

> If we in the Third World measure our success or failure as a society in terms of income, we would have to classify ourselves as losers until the end of time. Given our limited resources, we have to invent other ways to measure success, and that could be in terms of happiness. It may be in how much time children spend with their grandparents, or the ways in which we are able to enjoy our friendships, or how many times people smile during the week. A city is successful not when it's rich but when its people are happy.

O'Brien supports Peñalosa's remarks with observations of psychologists and other social scientists. Peñalosa, through O'Brien, could well be speaking to the way in which underdevelopment may be understood as a positive value in planning for greater happiness, wellbeing, and satisfaction.

As mayor of Bogotá, Enrique Peñalosa developed policies and took measures in the field of urban planning that sought, evidently with considerable success, to define city planning in terms other than efficiency. "He did it all, in part, by declaring a war on private cars."[1] Using "happiness" as his criterion for traffic policy-making, he said:

> And what are our needs for happiness? We need to walk, just as birds need to fly. We need to be around other people. We need beauty. We need contact with nature. And most of all, we need not to be excluded. We need to feel some sort of equality.[2]

His answer to the traffic and pollution problem was not a bus system but a return to walking. However, he also understood that that in itself was insufficient; he needed to create public places, to exclude cars from thoroughfare where people could walk instead, beautify these areas… Rather than create monumental public spaces, he created modest pedestrian parks, for example. He is now widely recognized as having radically improved a major third-world city on which most city planners

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[1] http://www.thetyee.ca/Views/2006/06/23/Mayor.
[2] ibid.

had given up hope of rescuing from the material and human detritus of development.

Francisco VanderHoff Boersma, a Mexican "Worker Priest" and the Founder of Fair Trade, presents a rich and detailed report on the history and experience of UCIRI, a cooperative organization of farmers in a particular region of Mexico who sought to improve their lives by organizing, and paying attention to the production and marketing of their produce, primarily, but not only, coffee. The report contains, in essence, a model for the growth of rural cooperatives in developing countries, particularly where the world market and the WTO are or will have an impact on agriculture in countries where a significant proportion of the population still lives in villages and works in agriculture. The entire report deserves close scrutiny, including the appendices. I would like to direct the reader's attention particularly to "Five conditions for sustainable production in general and for the production of coffee in particular." These five conditions are very interesting in light of the discussion of GNH and the rethinking of development: environmental conservation, the democratic control of the economy, egalitarianism, efficiency, and freedom. This is not a list that one would expect in such a context. A sustainable economy in today's market world, the author argues, requires the organization of producers to give them control over their own product and an equitable access to the market. He suggests that "We have to identify and articulate new forms of efficiency that will truly make work a democratic and economic act." Finally, he raises the question of freedom itself:

> Liberalism is a catchphrase that takes in all measures that are supposedly favorable for the free market. The problem is that the rules of the market have changed but the freedom of the market has not been increased. A truly free market is necessary for the creation of sustainable coffee and [an] agricultural economy. Freedom can only exist in a sustainable form when there is complete respect for the freedom of others. The current resistance to neo-liberalism is not only an internal criticism that asks the question for whom is there sufficient freedom and for whom is there not? Mutuality is essential. There is a price, not just a political one but one that is also economic, cultural, and social [for the lack of mutuality in freedom].

The third field report in this subcategory was presented at the conference by Ray C. Anderson, the founder and Chairman of Interface Inc. This is one of the world's largest commercial interior furnishing companies and functions on a global scale. Anderson reports on how he is making the company sustainable in environmental, social, and

economic terms. "You should first understand," he tells us, "that I speak as an industrialist, some would say a radical industrialist, but as competitive as anyone you know and as profit minded." He spells this out in his book, *Mid-Course Correction: Toward a Sustainable Enterprise: The Interface Model* (White River Junction: Chelsea Green Publishing Company, 1998).

His goal, he says in both his Antigonish report and his book, is to demonstrate through actual practice that a large firm can be both profitable and engage in sustainable practices. In many respects this report is personal and autobiographical, which is precisely why it makes such compelling reading. He is profoundly concerned "to do the right thing," and doing this, he says, "is driven by enlightened self-interest."

Not only does ecology tell us we are part of nature, not above or outside of it; it also tells us that what we do to the web of life we do to ourselves. *Industrial* ecology tells us the industrial system, as it operates today, simply cannot go on and on and on, taking, making, wasting – abusing the web of life.

In his book, Anderson defines sustainability in an important and fresh way:

> There is not an industrial country on earth, and – I feel pretty safe in saying – not a company or institution of any kind…that is sustainable, *in the sense of meeting its current needs without, in some measure, depriving future generations of the means of meeting their needs.* (p. 7, emphasis added)

What is most interesting in this perspective is the suggestion that all economic activity, whether in state-owned and -managed enterprises, national development plans, or private enterprises, must take into account future generations in defining current or immediately-future time. Defining his own experience, he says, "At Interface, we have undertaken a quest, first to become sustainable and then to become restorative." (p. 7). In accord with almost everyone who has spoken and written on issues of sustainability, Anderson argues, in his personal voice, that

> …I am a plunderer of the earth and a thief – today a *legal* thief. The perverse tax laws, by failing to correct the errant market to internalize those externalities such as the costs of global warming and pollution, are my accomplices in crime. (p. 7)

He has used his firm, Interface, to develop an industrial and business practice that is both profitable and sustainable in the terms he defines.

Anderson makes another point that is worth pondering. Citing the economist Lester Thurow, he writes:

> I have read that…that we are already in the *third* industrial revolution. [Thurow] holds that the first was steam powered; the second, electricity powered; making possible the third, which is the information revolution, ushering in the information age. Clearly, all three stages have emerged with vastly different characteristics, and it can be argued that each was revolutionary in scope.
>
> However, I take the view that they all share some fundamental characteristics that lump them all together with an overarching, common theme. They were and remain an unsustainable phase in civilization's development. For example, someone still has to manufacture your 10 pound laptop computer, that icon of the information age. (p. 9)

He then goes on to show that a 10-pound laptop is the end result of a process that costs up to 40,000 pounds of materials, not to mention the cost of pollution, etc. In short, he calls into question the idea that developing countries can use the computer to create sustainable economies, at least in his terms. A more thoroughgoing "rethink" is necessary.

In concert with the point made by John Ralston Saul about contemporary economic theory, Anderson says that the industrial system of which we are a part developed in a different world from the one we live in today: fewer people, more plentiful natural resources, simpler lifestyles. What a difference today!

He challenges other businessmen, many of whom, he tells us, do not want to examine the proofs his experience offers, to make their case for business as usual:

> What is the business case for destroying the basic infrastructure of civilization itself, the natural systems upon which everything depends, including the economy? For what economy can exist without air, water, materials, energy, food, *plus* climate regulation, an ultra-violet radiation shield, pollination,…The economist would say, all these are externalities and do not count in the financial system? Talk about a flawed view of reality! How can it be good business to externalize them and assume license to destroy them by arbitrarily saying they don't count.

Anderson's remarks reflect the same conclusions that the report on "Assessing the Full Cost of Energy in Nova Scotia" presents. Anderson also seems to be speaking to GNH within a single firm, which makes for a unique perspective and provides not a little food for thought.

Interestingly, *Fortune*, surely the journal *par excellence* of the American business community, has named Anderson's firm as one of the "100 Best Companies to Work For".

Joel Salatin is widely recognized as one of the most innovative farmers in the United States. At his farm in the state of Virginia, he has developed an agricultural practice "combining science, art and ideals from nature to create a farm that is highly profitable but produces zero waste."[3] To summarize concisely the principles of Salatin's agricultural practice (which were presented orally and discursively at greater length):

> Food production should be aromatically and aesthetically pleasing…If our food production system stinks, [it] doesn't bring much happiness.

This is an interesting parallel in agriculture to Peñalosa's urban development policies.

> Animals are healthiest when they ingest copious amounts of green material…. There is no wonder we have obesity and cholesterol problems when we take away the exercise, fresh air, sunshine, high vitamins and minerals; and feed animals a high starch diet in a stressful environment in a fecal factory, inhumane, concentration camp farm.
>
> …we do a lot of large-scale composting, letting pigs do the work. We don't use big, heavy metal machines to [make] compost piles. We inject corn and let the pigs do the work.
>
> Farm according to nature, not in contest with nature.
>
> Keep using fresh ground, the way animals do.
>
> Pay attention to bioregional food systems. Feed your own community first.
>
> Technology is used to enhance the biological happiness on the farm, not to substitute for it.
>
> Balance. Ecological, emotional, and economic – all these elements have to be balanced.

While Salatin speaks from the vantage point of a highly developed agricultural world in the United States, he seems to be suggesting that societies that are still at the subsistence level of agriculture, or not far from it, can make choices concerning the paths that lead to a more productive agriculture. His second principle also echoes the argument made by Dr. Chencho Dorji concerning the costs of development, i.e., we

[3] http://www.gpiatlantic.org/conference/reports/21amplenary.htm

seek development but do not reckon the costs of success in our evaluation of the path we are going to choose.

Farouk Jiwa is the co-founder and Director of Honey Care Africa, "a small private sector organization that has been working to promote sustainable community-based bee keeping initiatives" in Africa. Like Ray Anderson, he works to create for-profit social enterprises, in this case in East Africa. He is keenly aware of the problems that aid brings with it:

> Over the last little while we have seen the donors coming in with their own specific agendas. The have worked over a very similar timeframe. They have had good success in some areas and these have been fantastic while the funding lasted. When the money disappears, things begin to deteriorate very quickly.

He has developed a "social enterprise model" as a key to "sustainable, community-based agriculture, both in terms of biodiversity conservation and poverty reduction." This model, which his Honey Care Africa actually is, defies "the traditional compartmentalization between development sector and private sector." It uses what he calls "a triple bottom line approach."

For those of you who are unfamiliar with the term, it is basically trying to generate environmental, social and economic values simultaneously.

In other words, the sub-text, as it were, of Anderson's industrial enterprise and Jiwa's agriculture enterprise overlap in a surprising way. This is particularly interesting when one recalls the main-stream discursive practice of opposing agriculture to industry or of making one dependent upon the other. Anderson and Jiwa both seem to be reporting on a new kind of enterprise that goes beyond the kind of enterprise characteristic of industrial capitalism or industrial socialism.

Reports on institutional developments

The third subcategory contains four reports on institutional development. Many speakers at the conference referred to the importance of the rethinking of development. Thakur S. Powdyel, one of Bhutan's leading educationalists, formerly Vice-Principal of Sherubtse College, Bhutan, and now Director of the Centre for Education Research and Development, under the Royal University of Bhutan, reports on the project for the development of the Royal University of Bhutan "as an instrument of Gross National Happiness." The University, he argues, cannot just train the personnel infrastructure of existing society.

This is the challenge for the Royal University of Bhutan: engineering and rediscovering the true mission of education and bring[ing] it to bear

on the reshaping of the society. It has to find its culmination in much more than achieving parity with other universities in the conventional sense of the term, but in being a mighty instrument in influencing the minds and habits of people.

Powdyel in effect makes the University one of the central institutions for Bhutan's achievement of Gross National Happiness. The University of Bhutan is a work-in-progress, and at the same time that he reports on it he also challenges it to transcend the contemporary models on which it may be based.

Sanjit Bunker Roy is the founder of Barefoot College in India. It is "the only college in India for the poor. It was built by the poor and only for the poor." At the present time there are over twenty Barefoot Colleges in India. Taking his brief from Mark Twain's admonition, "Never let school interfere with your education," Roy listened first.

> I got only people who were dropouts, cop-outs and wash-outs from the villages, very remote, in the middle of nowhere. We built the college together. We changed the whole concept of what is an expert. An expert for us is an ordinary man from another town – someone who has a different vision, someone who is practical, someone who is down to earth.

Decentralization and practical application of practical knowledge, "demystification," as Roy would say, are central to the enterprise.

How do you demystify the most sophisticated of technologies for the semi-literate, illiterate men and women? Today, all along the Himalayas from Ladakh to Sikkim, 300 villages have been solar-electrified by people who are all semi-literate or illiterate. And, incidentally, there happens to be a solar engineer who is illiterate but still looks after repairs.

Gill Seyfang, Centre for Social and Economic Research on the Global Environment, University of East Anglia, Great Britain, closely examines the institution of money in mainstream thought and practice and proposes that money requires redefinition and change if GNH and wellbeing are to be achieved, perhaps, he says, in the form of "community currencies." It should be noted carefully that Seyfang discusses money itself, not the "monetary system". He provides a four-fold critique of existing money. First, money serves two contradictory functions: it is both a medium of exchange and a "store of value,". Therefore, there is a tendency to hoard it, to keep it from circulation, which, in turn, results in a shortage of money with profound consequences for unemployment and the inability to meet society's

needs. Second, money in its present state is highly mobile, which is not a good thing for local or underdeveloped economies.

Third, the current pricing regime upon which mainstream money is founded values some kinds of wealth and overlooks others, with profound implications for the signals sent by markets and hence development goals in general. Environmental and social costs and benefits are externalized from economic prices, and so are not accounted for in economic decision-making. This results in economic behaviour which degrades social quality of life and the environment but which is entirely rational within the market framework.

His fourth critique of the existing money system is that "mainstream money and its system of exchange actively promotes particular types of behaviour and discourages others," and the implications of these effects are detrimental to sustainable consumption.

Seyfang's proposals for a reconsideration of the money system reflect VanderHoff Boersma's conditions for the development of a sustainable economy. Seyfang says,

> In order for this evolution [to a new money system] to occur, a number of policy changes are required, the most fundamental of which is a shift in thinking and organization, away from the top-down command and control of the economy, towards a more open, flexible, adaptable structure which allows experimentation and the spontaneous emergence of new exchange systems.

Khenpo Phuntsok Tashi, the Director of the National Museum of Bhutan, located in Paro, Bhutan, analyzes the actual and potential role of a traditional institution or, more precisely, a traditional figure, in the promotion of Gross National Happiness. In "The Positive Impact of the Gomchen Tradition on Achieving and Maintaining Gross National Happiness," Khenpo Phuntsok Tashi provides what may be the first extensive discussion of the gomchen, a kind of lay, or un-monasteried, monk, in English, and demonstrates the wide social role this figure has played and will be able to play in this area. He also makes transparent the relationship between "spiritual" practice and Gross National Happiness, including the political values of spiritual practice. "Nowadays," he says,

> samsara may look different because it involves more technological advances, more modern progress, and more sophisticated advertisements that pull on the desires of human beings, but this is still just the same old samsara, and the gomchen lama still has the same job. He will continue on the path of enlightenment for the sake of all sentient beings and try to turn them all toward freedom

> from suffering. This is his purpose in life and what he has vowed to do with his true awakened heart. Such a pure devotion to the happiness of all other sentient beings must have an influence on the GNH of Bhutan because the programme and the gomchen lama meet on a common ground of bodhicitta, the source of both relative and ultimate happiness.

He provides us with a fascinating example of the reinterpretation of tradition within modernity or, perhaps more accurately, of the application of tradition to modernity not as resistance but as facilitator.

From Past to Future

The papers in the fourth and last category of this volume are unique or serve us well by way of summation.

Frank Bracho, an economist trained at Stanford University, committed to Gandhian values, and former Venezuelan Ambassador to India, as well as the author of several books on sustainable development, health and culture, discusses "Happiness and Indigenous Wisdom in the History of the Americas". Many of the participants at the conference, including John Ralston Saul, suggested the importance of "indigenous wisdom" and "indigenous knowledge" to the consideration of wellbeing and in the rethinking of development. Bracho places the discourse about GNH in an interesting historical context:

The United States' Declaration of Independence, for example, specifies "the pursuit of happiness" as one of the new nation's fundamental aspirations, and fathers of this manifesto, such as Thomas Jefferson and Benjamin Franklin in their body of political ideas, made happiness a central good. Simon Bolivar, leader of the independence of several South American republics, did the same when he affirmed: *"The most perfect system of government is that which produces the greatest possible amount of happiness…"*… In those eighteenth century times, happiness was usually linked to feelings of safety and personal and social stability.

Bracho addresses the question of the nature of the values that he believes must be the base of GNH and wellbeing. He mines the literature of Native American wisdom to show that from it one can deduce that to reach happiness, definitively, the aspects of "being", linked to the transcendent and more lasting, are more important than those of "having", linked to the less transcendent and more transitory.

The unspoken but very present challenge his paper presents concerns the ways in which indigenous knowledge and wisdom can be brought into the discourse of active institutional as well as personal transformation in the rethinking of the development in the already overly complex world which we inhabit.

Dorji Penjore, a member of the research staff of the Centre for Bhutan Studies, discusses the role of folktales in the transmission of traditional values in "Folktales and Education: The Role of Bhutanese Folktales in Value Transmission." He examines one particular folktale as an illustration, and also points to various Buddhist holy men, particularly Drukpa Kinley, particularly important in Bhutan, to discuss the role the figures of these men play.

Dorji Penjore is particularly interested in the way folktales are not used in contemporary Bhutanese education and makes specific recommendations about that. He also provides a trenchant critique of the texts and methods for teaching values in contemporary Bhutanese schools. Traditional knowledge and values are present in contemporary Bhutanese culture, he argues, but they are being squeezed out by the adoption of inappropriate texts and foreign methods when there are good Bhutanese stories that could teach the same values from a position closer to home and to the lives of the students.

Ela Bhatt, founder and first General-Secretary of the Self-Employed Women's Association (SEWA) in India, which is the largest single trade union in the country, reminds us of Gandhi's values, to which so many pay lip-service but so few follow. For people, development is not a project. It is not institutions. It is not even economics. It is about restoring balance. It is about the well-being of the poor woman, her family, her community and her work environment and this world we all live in. This we have learnt from Gandhiji.

Bhatt expands on Brach's point:

> The spirit of Gandhi is in his understanding of indigenous institutions that could be small, democratic and dynamic. It was not glorifying poverty.

Holly Dressel, a Canadian journalist and author, provides a good summary of much of the discussion, when she says:

> I think we can all agree that sustainability means being able to support ourselves and provide for our human needs without destroying the systems that will produce more timber, food and water, for example, for us and our children in the future.

Daring the conference participants to "Dream big!", she also reminds us to let her know when her criteria for change "don't work out, so I can be humble and flexible too!"

Finally, John Stutz, in "Economic possibilities for our grandchildren: progress and prospects after 75 years" brings the past directly into converse with the future in the present by bringing into play John

Maynard Keynes' essay from the 1930s, "*Economic Possibilities for our Grandchildren*". Keynes was optimistic when he looked forward to 2030, but as Stutz points out,

> The future discussed by Keynes is now only 25 years away. Beginning with current data on income, [my] paper shows that progress beyond the struggle for subsistence has been limited to the Developed Countries and will likely remain so through 2030.

Moreover, he adds, "Among the Developed Countries, overwork, rather than living well is increasing." Underlying everything we have discussed, Stutz concludes,

> one needs to address the question of value shift in a systematic and thorough fashion. These interesting and important issues are left for another day.

A Final Thought

Both the First and the Second International Conferences on Gross National Happiness are over and have become part of the history of Gross National Happiness, but their work has only just begun. The Second Conference followed naturally from the first, and it provided an important opportunity for the Bhutanese participants to learn from the practice and experience of the other participants from all over the world as well as to gain insight into their own reflections on the questions of happiness and wellbeing.

The Antigonish conference ended with more questions and challenges than conclusions. There is an old Chinese philosophical question about whether it is more difficult to know or to do. Antigonish showed that we all – though not everyone in the world, by a long shot – know what is wrong. And we have a fair idea about what is right. But the work of integrating all our concerns into a set of really shared and common objectives, their theoretical and conceptual elucidation, and a concerted plan of action to achieve those objectives, all that remains on the agenda for the future. It is time to continue working.

Dedication

Finally, and utterly gratuitously, the author of this introduction would like to take a cue from John Maynard Keynes, by way of John Stutz, and dedicate this introduction to his grandchildren, Kinley and Garab, and to the grandchildren, present and future, of all the participants in the Antigonish conference. And, in Bhutanese and Buddhist tradition, "May this volume of papers benefit all sentient beings."

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OPENING ADDRESS*

Your Excellency, Honourable Minister and Delegates from the Royal Government of Bhutan, distinguished guests from more than 30 countries around the globe, fellow Canadians: As the representative of Her Majesty, Queen Elizabeth II, our Queen of Canada, and on behalf of all Nova Scotians, I am honoured to welcome the delegates to this international conference, "Rethinking Development: Local Pathways to Global Wellbeing". Since the early 1600s when the indigenous Mi'kmaq met the first European explorers, there has been a proud tradition of welcoming the world to Nova Scotia. We, in this province, are blessed with an abundance of natural resources, breathtaking scenery, diverse cultures, and warm friendly people who cherish peace and friendship and we are happy to share our blessing with all of you.

This remarkable gathering of talented and experienced men and women brings together some of the world's leading practitioners of socially and environmentally responsible development. Nova Scotians are truly delighted and deeply honoured that you have travelled to join us from the four corners of the earth – literally from six continents – to share your knowledge and your wisdom, to teach us, to work together, and to guide us all forward towards the kind of world we genuinely want to leave our children.

Your work and your presence here are eloquent testimony to the reality that a better world and a brighter future are not only possible, but a necessity. Very many of you have done outstanding work promoting economic wellbeing in ways that respect and care deeply for people and for the environment. Heartiest congratulation to His Majesty the King of Bhutan and the citizens of Bhutan for their recent receipt of the United Nations Champion of the Earth award, received for placing the environment at the centre of all its development policies. Congratulations to Bunker Roy of India, awarded the Tyler Prize for Environmental Achievement, to Farouk Jiwa of Kenya, awarded the Equator Prize for sustainable community livelihoods, to Father Francisco VanderHoff, who started the fair trade movement, and to all of you who are undisputed leaders in charting a new path to a better future.

This gathering in Antigonish, Nova Scotia, was inspired by the profound recognition of His Majesty the King of Bhutan more than 30

* Hon'ble Myra A. Freeman, a Canadian philanthropist, teacher and the first female and Jewish Lieutenant Governor General of Nova Scotia (2002-2006).

years ago that "Gross National Happiness is more important than Gross National Product," and it grew from the First International Conference on Gross National Happiness held in Thimphu last year. For the Bhutanese, wellbeing arises in a society when sustainable and equitable economic development is balanced with environmental and cultural preservation and good governance. But that, surely, is an aspiration for all peoples and all societies everywhere – not only in Bhutan. Certainly here in Nova Scotia we aspire to create such a good and decent society right here on this very land; more than that, we truly aspire to be a beacon of good and balanced development from which others can learn and draw inspiration.

In the midst of these lofty aspirations, we are also realists. We do not claim to have all the answers, we all face significant challenges, and we know that we have a long way to go. But if we join forces, and if we are truly willing to listen and to learn from each other, we can all move beyond our own limitations to build a better world. We are so proud and honoured to host this Second International Conference on Gross National Happiness here in Nova Scotia, to have this amazing opportunity to learn from your incredible experiences, and to join with you all to Rethink Development and to chart together significant local pathways to global wellbeing. You are economists, educators, environmental scientists, farmers, builders, musicians, government officials, community activists, and philosophers – literally all the elements of what it takes to create a good society. May you all work together harmoniously and creatively in the coming days to lead us forward to the future we want to leave to our children. It gives me great pleasure to declare this noteworthy conference officially open.

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What is Gross National Happiness?

Jigmi Y. Thinley[*]

Introduction

Gross National Happiness, as the guiding philosophy of Bhutan's development process, was pronounced by His Majesty King Jigme Singye Wangchuck, soon after his enthronement in 1972. Over the decades, many conferences and dialogues have led to increasing elaboration of this concept as well as its practice. Thanks to gatherings like this, there is a greater shared understanding of seeds of a powerful idea that His Majesty unleashed. He was clear so long ago that happiness is the ultimate common end and everything else was means or instruments for fulfilling this wish that every human being has. Yet it is ironic that we are pervasively susceptible to confusing between ends and means, although it is a constant theme in Buddhist social and economic thought.

GNH, I hope, can become the unifying goal of development process for several reasons. First, GNH stands for holistic needs of human being - both physical and mental wellbeing. While poverty alleviation and other material development measures are consistent with physical well-being, the misery of mental conditions that is independent of material living conditions cannot be addressed by favourable material circumstances alone. Second, which is a related point to the first, GNH seeks to complement inner skills of happiness with outer circumstances. Both sources have to be harmonised to bring about happiness. Third, GNH recognises that happiness can be realised as a societal goal; it cannot be left as an individualised goal or good, as yet another individual, competitive good. Happiness may not be directly deliverable to an individual like a good or service. But it is far too important also to be left to purely individual effort and search, without collective or governmental endeavour. GNH stresses collective happiness to be addressed directly through public policies in which happiness becomes an explicit criterion in projects and programmes. The society as a whole cannot obtain happiness if individuals compete for it at all cost irresponsibly in a zero-sum game. Fourth, GNH, as it mirrors individual feeling directly, suggests that public policies based on GNH can be far less arbitrary than those based on standard economic tools.

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Socio-cultural pre-disposition to GNH

Traditional polity in Bhutan, drawing much on the Buddhist culture, was certainly guided towards GNH. A Buddhist equivalent of a 'Social Contract' declared in Bhutan in 1675 said that happiness of sentient beings and teachings of the Buddha were mutually dependent. The 1729 legal code of Bhutan stressed that laws should promote happiness of the sentient beings. As you all know, much about what we may call Buddhist science of mind is about managing feelings and emotions, that invisible mental world which destroys all around us if we cannot manage. Thus, a great deal of cultural knowledge and education in traditional society was meant to train people's psychology towards happiness of all. And much stress was laid on making people find freedom from a kind of attitude than denies them happiness. Enlightening the troublesome inner self or human nature became a far greater task than taming nature and the outer world.

We in Bhutan are concerned as to whether we would be able to create an alternative path of development that would cater to the cultivation of the fully developed human being and society. The fully developed human being is not the same as putting human being at the centre of development.

International Context

But, in general, models for both developed as well as developing countries do not explicitly include happiness as a development end, and contemporary measures of progress do not usually specify happiness as a dominant end: it is assumed to be the collateral result of social and economic policies. There are many noble goals and their indexes such as Human Development, Sustainable Development and Millennium Development goals. Yet, we should be open to the possibility that there could be some differences in the methodologies and outcomes between these goals and that of GNH, while we welcome the fact that HDI, MDGs, as well as Genuine Progress Index pioneered here in Nova Scotia are noteworthy measures of progress. Equally, there are many institutions and individuals, both in North America and Europe, who have pioneered indices related to happiness as their mission. Through these international efforts and coalescence of interests, all of us here will agree that we can contribute to the promotion of happiness as an official responsibility of states, so that it is not considered utopian and ideological.

It is to our advantage that the media and academia's interest on the subject of happiness has grown substantially in recent decades. Evidences on desirability and feasibility of happiness as the dominant

goal of a society has been bolstered by findings of and upsurge in contemporary happiness research. If the media and academia reflect public concerns, one may ask why there are such growing popular concerns and interests? It may give us a clue as to what needs changing, and how change needs to be managed positively.

First concern, corroborated by data, is that in many countries surveyed, there has been greater wealth as measured by GDP, but there is not more happiness, especially in very wealthy countries. While there is improvement that can be made to what and how we measure both wealth and happiness, their relationship, or the lack of their relationship after certain levels of wealth, points to the unpromising journey towards happiness on the route of unlimited wealth.

This brings me to the second concern, which is the difficulty, if not the impossibility, of market-led happiness. Although the market has been the driver of efficiency and productivity, the same values threaten to undermine the factors that lead to happiness. As has been documented by numerous scholars, demanding and grinding work life that is necessary for efficiency and productivity is difficult to be balanced with leisure and social life that gives us satisfaction. Mobility and job-changes imposed by the market is difficult to be balanced with the need of sustained community life. Our physical needs may be addressed by the market and consumerism, but what about these social and communal bases of emotional wellbeing that are diminished by market economics.

Related to mobility and locational changes over our professional lives is our attempt, at the same time, to stay connected through better virtual and real communications. Yet there is a third concern, which is, that people are living ever more apart despite getting ever more connected. We only have to remind ourselves of the higher rates of divorce, single parenting, and single parent upbringing that had been discovered to be factors of unhappiness. If upbringing with single parents is an increasing aspect of modern life, aging alone is also a rising prospect as families have no time to look after the elderly. We have fortunately attained longer life, but this success is not crowned equally by happy quality-long life that living socially and mentally fulfilling old age can provide.

Last and the fourth concern is about the rise in mental illness, alcoholism and suicide, which is symptomatic of the loss of hope for any happiness in the lives of numerous people. Depression rates seem to be substantial in many societies, although most of these societies do not have medical and financial resources to help those affected.

All these are popular concerns that the academia and media have brought into sharper focus. Given socio-cultural impulses from within

and evidences from without, it was with no little consideration or conviction that we in Bhutan opted for a development process that some say offers a new paradigm.

Policy Response in Bhutan: Four Pillars of GNH. It is more profound in its implication than conveyed by the current set of policy-bundle priorities as represented by the metaphor of pillars in Bhutan. Within Bhutan, the four priorities areas of GNH is perceived as a normatively defined means towards GNH but these policy bundle may not necessarily apply universally. Also, I must admit that the idea of measuring it was dismissed with the remark "look at the faces of the people and measure the breadth of their smile". Rather, we focused on the broad policy priorities that were assumed to be macro-conditions of collective happiness.

What is certain is that in a state bearing responsibility for collective happiness, GNH must be a serious arbitrator of most of its public policies. And GNH as a programme for social and economic change to remove obstacles to happiness must focus on the nature of public policies. If happiness is the main value a GNH state tries to promote, the institutional structures and processes of a society must reflect this value. Yet it is very challenging to even envision what a GNH state would be like. The nature and theoretical foundations of a modern development state or libertarian democratic state are well-known. But the structures and processes of a GNH state are yet to be defined clearly, if it is at all distinct from either the ascendant liberal state or retreating socialist state. What will be the nature of GNH political economy? What will be appropriate social welfare, legal and constitutional foundations for GNH? What will be its educational and health policies? What will be its polity? And so forth. There are many questions that require examination from first principles. I certainly do not suggest at this moment that Bhutan is a GNH state though it aspires to be one. We seek through conferences like these and researches on happiness what lessons we can learn while crafting public policies consistent with GNH.

At this stage in Bhutan, an enabling environment for GNH is being created through a set of policies in four key areas of GNH. These are (1) *sustainable and equitable socio-economic development, (2) conservation of environment, (3) preservation and promotion of culture (4) promotion of good governance.* I must admit that devoid of discussing the particularistic contents, all of these thematic areas appear abstract. Moreover, they may very well be an incomplete catalogue of policy areas for good development, but I hope that they encompass the important areas of concentration to create enabling environment for GNH. The four pillars correspond to only certain sectors of interventions by the Bhutanese

government. Unlike sectoral fragmentation, however, we must at once see inter-dependence of social, economic, and environmental realities, as indeed the reality is to attempt at holistic development. I should also emphasize that polity, environment, culture, and economy are not in different realms but interwoven in reality. Only with such a holistic perspective, the externalities cannot disappear from view in one sector and reappear as cost in another. Other kinds of policy framework for GNH are certainly conceivable. I look forward to the conference's contributions to our collective formulation.

Bhutan's contingent choice of four policy areas of GNH and challenges

Sustainable and equitable socio-economic development: The necessity for materialistic development is obvious from the scale of economic suffering faced by majority of global population. But the need for spiritual development is no less obvious from the scale of spiritual suffering in terms of anxiety, insecurity, stress, and pain also in the affluent North. Economic aspect of development emphasizes economic growth so that employment and livelihood is secured. As it has been said, it is easier to identify and alleviate misery than to maximise happiness. At low levels of income, bordering on poverty, income policies are same as happiness policies, but not otherwise. Economic growth is vitally important to resolve poverty. Yet here too, there are three differences for a GNH driven economic development.

First, in a GNH economy, the means and nature of economic activities chosen are as important as their result in terms of economic growth. As GPI work has shown, a GNH economy must make qualitative distinctions in the mix of economic activities for the same level of growth and size of economy.

Second, the measurement system for a GNH economy must necessarily be different from conventional measurement of GDP, because the measurement system must value social and economic services of households and families, free time and leisure given the roles of these factors in happiness. The measurement system must not be biased towards consumption against conservation of social, environmental, and human capitals. At the same time, happiness cannot be found in ever increasing consumption. Detachment from proliferation of wants can contribute to happiness. It leads logically to the possibility of considering steady state economy as a sign of progress. Current economies are, however, biased towards proliferation of wants and consumption.

Third, a GNH economy must concentrate on redistribution of happiness by income redistribution far more seriously. This is ethical on its own, but also because inequality sets in, as far as collective happiness

is concerned, a self-defeating, vicious spiral of catching up process in a world where people derive satisfaction from relative, not absolute consumption, contrary to an axiom of economics. Of course, the distortion of our perception and choices which make us derive satisfaction from relative rather than absolute consumption itself needs enormous re-education in a GNH economy.

Conservation of Environment: Moving on to policy priority on environment, it would first seem from happiness researches that environment and biodiversity are not strong correlate of happiness. Partly this is because it seems that no one has measured happiness against environmental variables. Nevertheless, no one would argue against the value of environment in everyday life and hence our happiness, given that our health and aesthetic experiences depend on the quality of physical environment around us. Among farming communities, such as majority of Bhutanese, living not only close to, but in, nature, livelihood depends directly on richness of their immediate natural environment which bestows on them truly free, wholesome, natural, forest foods, fruits and medicines that man need not labour and sweat to cultivate. I contend that even the elevation of our aesthetic senses depend on our regular, if not daily, access to great natural environment. Thus, I would argue that there is a demonstrable relationship between happiness and natural environment. From this point of view, however, what I am underlining is a pattern of deep relationship between environment and Man. So a relationship of access to quality natural environment on regular, if not daily, basis is crucially important. Let me illustrate it. If a substantial population in a country live without access to quality natural environment, although the nation as a whole has substantial natural environment, a close pattern of relationship between Man and Nature cannot be fostered. Thus, it would be a case of existence of Man apart from natural environment that I believe could result in a narrower basis of happiness.

Given our intuition about environment and happiness, Bhutan launched vigorous greening and biodiversity preservation policies, whose implementation of course have not been without costs in terms of foregone food self-sufficiency. But our country is greener than it has been in living memory, with 26 percent of it turned into protected areas and 72 percent forest coverage. Someone called Bhutan an acupuncture point in the leviathan body of our ailing planet! It is an appropriate metaphor given the unthinkable consequences of environmental disasters in Bhutan and in the Himalayas on its own inhabitants and billions living on either side of the Himalayas.

Preservation and Promotion of Culture: Let me begin the priority area of culture for GNH by pointing out that culture received a rare global attention last year through the UNDP's Human Development Report titled "Cultural Diversity in Today's World." Free choice is equated with cultural liberty and as being central to human rights and human development. Throughout, the report resonates with the message that an individuals must be have the right to choose, change, and revise various elements of his multiple cultural identities.

While there should be all the space for choice, we should distinguish situations where individuals change their identities voluntarily from situations where powerless individuals are changed by profoundly pervasive forces such as open-sky and free trade regimes which spawn cultural hybridization, creolization, and displacement of vernacular economies, even before one realizes. This is specially true in highly asymmetric situations like Bhutan involving massive outside cultures encountering small scale Bhutanese culture when the border opens wide open, and hence the need to have a vigorous promotion of indigenous cultures as a context of individuals choice. Rich cultural heritage itself provides options and choices for us to select life plans. So not having a rich and intact culture is a diminishment of choices. A state which does not preserve cultural richness is thus one where the choices and well-being of its citizens are constrained.

It is however true that there is also a difficulty in reconciling human rights with cultural rights which are group-based rights. As it has been pointed out, group-based rights do not sit easily with the concept of individuals as autonomous choosers. But what we can say in favour of group-based traits implied by culture is that choice is instrumental for pursuit of well-being and happiness but as is well known well-being and happiness are largely a shared pursuit. I find it rather difficult to accept that human development should be seen only from the point of view of individual liberty and as being concerned with 'widening choices to be and do what one values' (should I say, pleases?) without relating to any larger societal good.

But the matter about human rights and cultural liberty seems to be more complex in reality. Let me take one point. We need to be attentive to human beings not only as bearers of the same set of universal rights, but also as far more complex individuals with cultural and social particularities that define them. We need to adhere to human rights and liberty as basic universal minimum standard to mediate individuals' claims against each other or between individuals and the state. But we could explore further the view that completely meaningful interdependence can arise only when and if we do not see ourselves as

just independent and separate bearers of rights, but as irreducibly relational beings. As one scholar put it, suffering and unhappiness at the end arise not so much from factual conditions of loss or misfortunate, but when the flow of meaningful relationships is blocked or interrupted.

I also find the emphasis on rule of law to regulate human interrelationships intriguing. There is a paradox in preaching against conformity and promoting rule of law at the same time. Excessive emphasis on the rule of law to the extent of regulating most forms of human relationships and conduct by the state at the cost of social and customary norms and practices is, in my opinion, state coercion to conform. It undermines the virtue and the indispensability of social and voluntary responsibility arising from respect for and belief in society and its values. I have often wondered whether diminishing community life along with its imperatives is the result of our voluminous laws. It seems sensible to strengthen those customs and traditions which require married people to be good to their spouses and children because they see virtue in it and want to enjoy the happiness that it generates rather than to be seen doing so because the law requires it with threat of retribution.

Good Governance: In one sense, securing any public good, such as collective happiness, depends on realising governance oriented to it. Logically, if a government should reflect the ultimate democratic desire or opinion of the people, which is happiness, then the nature of governance should also be attuned to it. But I must admit that both theoretically and practically, we are far from grounding GNH in any contemporary system of government and political structures, of which the most well-established is liberal democratic system. So far in my country, our scholars seem to have reflected more on cultivating values of liberating leadership, such as epitomizing His Majesty the King rather than sharpening external institutions of check and balances. However, in keeping with times, we in Bhutan are about to formally take up parliamentary democracy. His Majesty the King, the fountainhead of all positive changes, has recently placed the Draft Constitution of the Kingdom of Bhutan that opts for liberal democratic institutions before the people. For us too, we take liberal democratic system as an institutional arrangement possibly as a best path for securing any public good and good governance. But we should not yet be ready to forgo seeking any better system by betraying ourselves that liberal democratic system is the climax in a linear and convergent evolution of political institutions, as some scholars have supposed.

All the distinguished participants are well aware that even in the best of the great democratic nation states, the signal values of democracies like freedom and equality that Man has struggled to attain

seems set at one moment but unsteady at another. You are well aware of the tension between freedom and equality and the shifting boundary between them. You are, furthermore, well aware of the shifting boundaries between the private and public domain, and between secularism and politics.

All human institutions are system of relationships between actors; in themselves they have no inherent nature. We can always attempt to move in a direction of improving our shared situations or 'relationalities', which are where happiness arises and dissolves, depending on their qualities, and so we can improve any institutional arrangement. For example, even alleviating poverty, which is a primary objective of most governments and international agencies, is only partly a matter of alleviating objective material circumstances. As I understand, poverty results from failure of relationship which can be revived by better values and intentions in the heart of institutions.

What seems to demand attention even among democratic states is the question about motivational values that drive the institutions holding power instead of the form of institutions themselves. We can always ask the question whether values and intentions that drive institutions and processes of governance, whether national or international, are aligned with searching for happiness for all, where each person's happiness, regardless of nationality, counts equally. Furthermore, as we are in a stage in history when there are more mutual relations between any national governance and international relations than ever, and one is rarely independent of the other in a globalized world, we need to explore possible revision in aims and nature of international relations and global institutions as to whether focusing on happiness can lead us to a better turn towards a normative goal for global common centred on happiness.

To sum up, GNH is a balanced and holistic approach to development. It is based on the conviction that man is bound by nature to search for happiness, and that it is the single most desire of every citizen. The only difference between Bhutan and others is that we do not dismiss it as a Utopian quest.

We also hope to learn from the ongoing discourse on the subject. More and more articles and books are beginning to appear on the subject. Many research scholars on the subject have visited Bhutan since the first international conference on GNH. It is our hope that as more thoughts are given to this common quest in life, there will be more ideas and reasons why GNH should guide development of responsible human beings. And this conference outside Bhutan, will guide us further.

John Ralston Saul[*]

Lyonpo Jigmi Thinley, Mary Coyle, and everybody from my university – I feel that I can say it is my university since you have given me an honorary degree. I am thrilled to be here. I was worried that I would not be able to make it because I was just in the northern part of Nunavut. When you go to the Arctic, you are never quite sure when you are going to come back, partly because you do not want to come back, but mostly because the weather does what it does.

I have to say that it was a remarkable trip. The Governor General and I, we went from Iqaluit to Alert, which is the most northerly tip of Canada. You step on the ice, the permanent ice, and could walk to Russia. What most Canadians do not realize is that from Ottawa to Iqaluit is only halfway to Alert. It is about 2,000 kilometres to Iqaluit, and another 2,000 to Alert.

And in many ways, as I was wandering around the Arctic, chatting with people in the communities, I was thinking about you here and the conversations you were having. I was also thinking about the time that my wife and I were lucky enough to spend in Bhutan. It was one of those trips, a bit like going to the North that actually changes the way you see life.

For those of you who have not been there, it is truly a remarkable country, and it is not an accident that it has come up with one of the most disturbing concepts -- "Gross National Happiness". Disturbing because it upsets completely what is in place everywhere else. It is also a wonderful revelation of the Bhutanese sense of humour, which is laced with irony. And when faced with the boring certainty of Western economists, it is not at all surprising that His Majesty knocked them off their comfy chairs – he came up with a theory which they could not even understand. It is very Bhutanese, and tells you a great deal about the strength of their culture.

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I was very excited by my time there. I talked to everybody I could – they were remarkably available and willing to chat – and I learned an enormous amount as we either drove through the mountains or walked through the mountains, in January, which is a marvellous time of year to visit because there are basically no other outsiders there due to the cold, and because, in a sense, there is a great beauty about seeing those mountains partly green, partly in the snow, and to sense the need for warmth -- that sort of sense of consciousness that Canadians know a bit about.

Good governance. That is what I have been asked to talk about. I think the two key words are "inclusion" and "equilibrium." I am at a slight disadvantage here, because you have been talking about this all week, and there is nothing worse than somebody who comes in at the end and tells you what to think. I tried to listen a little bit for a few hours, earlier today, and I am going to build on what was said:

"Rethinking Development: Local Pathways to Global Well-Being"

But I have to say that, coming from the North, I think that I am coming from a place where people are thinking about the things that you have been talking about. They only had the great and good fortune of being mishandled by people like me -- a white southerner -- for about 40 years.

The brilliance of Western civilization only really got to the Arctic in the mid-60s, and so we haven't had time to completely destroy it yet. In fact, after less than 40 years, the Inuit have got control, more or less, of the situation again, and they are trying to figure out how to put together what they want from Western civilization and Southern civilization and what they want from their traditional civilization.

But the final event of our trip there was – it is something you may have seen in the newspapers -- the graduation ceremony of the first cohort of lawyers from the Arctic. There used to be only one lawyer in Nunavut – Premier Paul Okalik, who got his law degree in Ottawa. Now there are suddenly 12 lawyers in Nunavut.

There are two really interesting things about this. One of them is that this was done with Canadian law -- that curious mixture of European (French and English) laws with Aboriginal notions interwoven throughout, which we deny -- but elders were involved in the full law program, so that as part of the creation of the lawyers, they were building right into it traditional Inuit concepts of justice and law.

The other interesting point -- and I have to say I am picking up on something that was said by Mr. Savory earlier today -- is that, of the 12 lawyers in Nunavut today, 10 of them are women. I think that this will have a very important impact on the shape of the future and society.

So, I find it fascinating that Bhutan is at the centre of this kind of discussion. It is not an accident that it is taking place at St. Francis Xavier, because this is the home of the Coady Institute. Father Coady, I think, was right for his time. He was bypassed or was no longer in vogue for a while, but I think he is very much of *this* time. He is a very modern figure, when looked at in terms of the kind of conversations that you have been having this week.

When we talk of *happiness*, I think of the Bhutanese sense of the word, both serious and ironic -- and I think those two things go together because there is nothing more serious than irony. And I also think of it in the proper Western sense, which is essentially a 17th- and 18th-century Enlightenment theory of happiness, which has absolutely nothing to do with 20th-century theory of happiness. I mean, the Enlightenment theory of happiness is an expression of public good, of the public welfare, of the contentment of the people because things are going well. As opposed to the 20th-century Disneyland theory that happiness is a bright, white smile. One should not confuse these two ideas.

And it is very important to keep reminding people that in the expression "life, liberty, and the pursuit of happiness", "happiness" is a reference to the public good, not a reference to savage individualism, meaning that you can go away and look after only yourself and make only yourself happy. It is the exact opposite of the idea which is unfortunately generally understood around the world.

Moses Coady said, "In a free society, we can recognize no other force but the force of ideas." This is the sort of statement which sounds kind of easy, and it is coming from a religious figure. Well, the fact of the matter is, that is a very tough statement about reality. It is ideas which determine the direction in which civilizations go. If you do not get your ideas right, it does not matter what policies you try to put in place. The policies will backfire, because the ideas that dominate will not be the right ideas. You have to *begin* with" the ideas -- then you can simply go ahead and put them into effect.

I think that we have today in the West -- in Canada, in the 20-odd Western countries -- a larger percentage of people under the age of 40 who are engaged in public life than ever before in history. We have never seen anything like this. You will hear people in formal politics saying, "It is too bad the kids are disengaged." They are disengaged from formal politics, for better and worse, but they are not disengaged from public life. There have never been so many young people in public life.

On the other hand, the general discourse – the central ideas running society – have not been changed in this period. I would say for the last 15 to 20 years, we have had a growing number of people going into public

life with a series of ideas which are extremely interesting, extremely important -- and you here represent many of those ideas -- but they have not succeeded in doing the essential thing. I assume that is why this conference is taking place. They have not succeeded in changing the central public discourse about the nature of the public good, the nature of democracy, the nature of citizenship, the nature of economics, the nature of what we ought to be doing.

And that, it has to be said, is a failure. It is not a failure at the end – it is a failure along the way. If it goes on much longer, we will lose this engagement because people will not be seeing the kind of change that they felt they *should* have seen, given the devotion that they have shown to the public good.

So I think we have a rather narrow window of opportunity to actually change the central public discourse of Western civilization. It is actually very valuable that an idea like Gross National Happiness would come from *outside* of the West. Indeed, it is much more likely that the idea would come from outside of the West. Remember, in the 18th century, a large part of the ideas came from Asia. They did not come from Europe. They were *adopted* in Europe.

And incidentally, it is always worth remembering that in 1750, 60 percent of the world's export market came from China and India, and I think the West had about five or six percent. We have rewritten history so that it appears we invented the ideas and we had the economy. Actually, we were just quite clever at taking them over, and doing quite well at them ever since, but they weren't essentially ours.

So the reason I am making a sort of fuss about this is that I see many of my friends, who, in order to get subsidies, in order to enter into a discourse with people who do not agree with them, use this established discourse. My friends say, "Well, you know, I have *got to* write it this way, got to use words like 'client' and 'stakeholder' and...." -- you know, the whole language, the sentences that you have to fill in, the words that are expected of you, the questions which you are expected to answer in a certain way. And I hear my friends using that language, thinking that it will get them by this not-very-important barrier, which is the barrier of central ideas, to the reality of what they want to do, once they are past the barrier.

But once they accept that central language, which is the *wrong* language, they fail. They may succeed a little bit, but at the end of the day, I/you/we will fail, because we have not changed the central discourse, and it will drag us back in. We are just thinking we are doing well, we are getting somewhere with micro-credit, or we are doing quite well with redefining education, and suddenly, you find yourself being

reeled in, and you look around and you say, "How did that happen?!" Well, it happened because you did not win the essential battle of the central discourse.

And I think it is a tough message, but it is a very important message, and I incessantly -- which is why I have somewhat of a reputation for being annoying -- stop meetings when the discourse is nonsense. I say, "We can't have the conversation using these words -- these words make no sense at all, and either we have to use no discourse at all that relates to this and end the meeting, or we have to talk about the way we are going to talk about it."

So I really would encourage you to think, the next time you are tempted to use language you do not believe in, to stop yourself, and be annoying. I know you mean to be annoying later on, but be annoying right up front, in terms of the discourse at those meetings. You can interrupt as many meetings as you want. After about three meetings with you, they will stop using the language, and maybe even come around to your language, if you are annoying and insistent and coherent enough.

So I think that Gross National Happiness is, of course, a brilliant trick. A trick is a good idea, because what it does is, it goes "Snap!" and it changes the discourse. Suddenly, you are talking about something else. You are not talking about amending the old discourse. You are talking about a new discourse, from the core, and that is what is so important and clever about it.

And I think it taps right into Lyonpo Jigmi's statement in his speech at the beginning of this conference, when he said, "The conventional development, or economic growth paradigm, is seriously flawed and delusional." Note that he said "delusional." He is a Minister. He had no fear to use a word as strong as that, because it is only by using words that mock ridiculous language that you can knock it off its pedestal. And it *is* delusional – he is absolutely right. Why be polite?

And then he went on to say, "There is a growing level of dissatisfaction with the way in which human society is being propelled, without a clear and meaningful direction, by the force of its own actions." In other words, by this sense of inevitability, of "There is nothing we can do -- we must remain passive" or "We have to move very quickly, and arrange the details so that we don't do too badly out of these inevitable forces which are rolling ahead of us."

Lyonpo is absolutely right. I spend a lot of time speaking with people and I firmly believe that the common sense, the intelligence, the intuition of citizens everywhere in the world, in different ways, *is* dissatisfied with what is thought to be the mainstream. What they *don't* have is a convincing, central, alternate thesis -- I do not mean ideology --

a convincing, central, alternate thesis which will capture their dissatisfaction and turn it into a plan for action. That is what they are missing, and that is what prevents them from speaking up in, very often, other than negative ways.

When public figures say, "People complain, the people don't know, etcetera," what they are referring to is the incapacity of the people to speak out because they do not have the discourse with which to speak out, and it is the job of people, people like you in this room, to think of the discourse -- the words, the language -- which can then be made available to people if they want to use it.

Language was invented in order to be stolen. That is the purpose of it. That is the purpose of writers, of intellectuals, of people who work as you do – to come up with language. If it is good language, it will be whipped out of your hands in two seconds, and used to express what is already there, what people are already feeling, but cannot express because they are stuck with language which says, "The committee met at 9:30 a.m. and discussed shareholder and stock-holder and stakeholder relationships with..." etcetera, etcetera. Create a language for people to work with.

So let me just take a little step back, and say... A complete discourse is, of course, essentially philosophical, and I don't mean, by that, inaccessible. An argument that I have made in the past is that what we need to do is think of a discourse, a multi-faceted system of power, if you like, a multi-faced system of human qualities which we can use, all at the same time.

I think there are about six human qualities that work anywhere, at any time, which are common sense, ethics, imagination, intuition, memory, and reason, and the idea is that they are of equal value and they can be used in different combinations.

And if you have some consciousness of the fact that you have different tools, different weapons -- intellectual weapons -- of equal importance, then you are, in a sense, freed from ideological traps, because the traps come from believing that we really only have one central quality which dominates and shapes everything.

The second point -- and some of you already know, because you have heard me say this before -- the second point that I will make is that our problem today, and the problem that you are wrestling with, that we are all wrestling with, is essentially the problem of reason. Reason, *real* reason, *true* reason, is conscious intellectual thought. That's what reason is. That's why we have common sense and ethics and imagination, intuition and memory.

Reason is conscious intellectual thought. Argument. And as a result, it is inapplicable -- it cannot be applied. Common sense can be applied; ethics can be applied; intuition can be applied. Reason *cannot* be applied. Once you apply it, you destroy it. You destroy what it's supposed to be, which is conscious intellectual argument and thought. It is not supposed to be the machinery of government. The machinery of government is common sense, its ethics, its intuition.

And the problem that we are faced with is essentially a confusion between *real* reason, which is this intellectual argument and thought, and what philosophers have called "instrumental reason," and instrumental reason is supposed to be applied reason. You can't apply thought. You do something else with it. You turn it into something else, so it's no longer reason at all.

The problem that you are dealing with is, in effect, that what you call reason is what philosophers call instrumental reason, and it does not exist. It simply does not exist. And by trying to pretend that you are acting rationally, the way people used to say they are acting religiously -- because you say, "Everything's got to be rational" -- by trying to pretend you are acting rationally, it makes it very difficult to escape from the paradigm that the Minister talked about, because it locks you into this false logic of something that does not even exist, which is instrumental reason.

It is a terrible contradiction that we have between thought and utilitarianism, and we are trying to pretend they are the same thing. Utilitarianism is not thought. And if you separate them out, you suddenly realize that you are remarkably free to re-think what you are doing.

This false reason, this instrumental reason, is the formal source of linearity, of our obsession with linear action, of "We can only go in a certain direction -- we have to follow certain logic." That comes from instrumental reason. That is what produces our narrow approaches, our *exclusive* approaches, as opposed to *inclusive* approaches.

That' is what produces the narrowness of professionalism. Professionalism does not have to be in silos. Of course, part of it has to be in silos. I mean, somebody in the room is going to know about the left ventricle, and somebody else is going to know about boats, and somebody else is going to know about airplanes. That's fine. But nowhere is it written down that professionalism has to be limited to the area of specialization.

Why is it limited this way? And being limited in this way, it makes it impossible for us to act in an integrated, inclusive manner, because

everybody is divided up into these silos. *Why* is it like that? Because it is all dependent on this false idea of a false reason.

If you walk away from that, you suddenly realize that 50 percent of the education of specialists could actually be lateral and inclusive, and then they would act in a different manner. The universities would have to radically change the way in which they educate doctors and engineers and so on, but that would be a *good* thing. Most of the people in universities *know* that there is a major problem with silo education, and that it is actually producing highly educated people who are problematic for society, because they can't see outside of their silos. They are *great* at the left ventricle -- *useless* at the human body.

And on top of that, to go further, you go into most medical schools around the world, and what's being said? "Oh, you don't want to be a general practitioner. You have got to be a left-ventricle person." Why? Because the smaller the specialty, the higher the class, whereas in reality, it is the exact opposite. The working class of medicine are the specialists. The aristocracy are the generalists. The sickness of our society is that we have it completely upside-down. Who would you rather have as your King Doctor? The person who knows what a body is? Or the person who knows what a left ventricle is?

I am trying to show you how the structure of thought, the structure of education, is what makes it so difficult for us to actually turn what you *know* needs to be done into a social reality.

And from the feeling that the narrow view is necessary – the silo view, the professionalism – again, comes out of mistaking utilitarianism for reason. The loss of control comes out of that. This is the source of "inevitability," the word which was used for the last 30 years more and more by people who said, "I am sorry, we are very smart and we are well educated, but there is nothing we can do because it is inevitable, because of economic forces, because of technology – it is inevitable that this is going to happen." And that is what you are struggling against all the time, is this belief of the inevitability of events, the inevitability of the leadership of technology -- all of that coming out of a false understanding of reason.

We have *never* had so many people educated, and yet, we have never, since the worst part of the Middle Ages, had such a strong discourse in favour of determinism. It is astonishing. This is an era where determinism is front and centre -- economic determinism, technical determinism, managerial determinism -- and that all comes out of this false rationality. If you believe in determinism, you can't reshape the central discourse. You have to walk away from determinism in order to do that, which is to say, walk away from a false idea of the dominance of

reason, which isn't even reason. That also is the source of exclusive approaches towards economics, social policy, and so on, as opposed to holistic or inclusive approaches.

In the West, the key has historically been, I think, the severing of the idea of civilization from the idea of the inclusive whole. That has been a wonderful strength of the West, because it sort of freed us to do all sorts of utilitarian things – but also a terrible *weakness* for the West, because it prevented us from understanding the context in which we were working. And we then turned around and tried to prevent *other* people from understanding the context in which they were working.

The source of inclusivity, I believe, is something which can be called many things, but I think, historically and linguistically, it is called animism. And animism is, quite simply, as I am sure most of you know, an idea of the world, of the planet, of the Earth, as a seamless web. Everything is one on the planet. Humans are part of the planet, as are animals. We all have different roles, we have different functions. Perhaps we are more powerful because we have a certain kind of memory, a certain kind of intuition, a certain kind of reason, but we are still part of the planet.

And the severing of the role of animism in the West, at the end of the Middle Ages, had certain advantages, but had certain terrible disadvantages. The last serious book written on animism in Western civilization was in about 1880, a two-volume book, but there was no follow-up to it, because people were terrified of the idea that somehow, we rational beings would be dragged down to the Earth and be part of it, as opposed to dominant and over it.

Severing *us*, in effect, from the idea of the Earth as a seamless whole is really what you are struggling with. It is what makes us think that human beings have rights, somehow, to change and alter the nature of the Earth, and to take non-precautionary risks -- to take those kinds of risks with things we do not actually know about, even though they may be dangerous. That is the sign that we are out of control because we are no longer linked to the Earth, because we have cut off the animistic from our ethical, moral, religious, intellectual way of life.

You have seen this amazing growth in the environmental movement over the last 30 to 40 years, but the weakness of the environmental movement has always been that, in order to succeed, at the end of the day in order to win the cause, it tends to buy into either a romantic view or a rational view. Seattle was a perfect example. And what is missing from the environmental movement is really that fundamental philosophical orientation which is animist, which would allow one, in a non-romantic way, to deal with the question differently.

But in order to do that, one has to re-introduce the idea of animism, which, I have to admit, having tried to do it for a couple of years, is pretty difficult. But I think it is important to be realistic about what works and what does not work.

As a result of having severed ourselves from the animistic, our philosophy has become increasingly cut off from any form of inclusive view. Our social sciences are the children of instrumental reason – they are actually central to the problem. I say this as somebody with several degrees in social sciences. We are actually part of the problem, because our whole theory is based on the denial of the animist, of inclusivity. We are conceptually part of the problem.

Our theories of governance are cut off and are frightened by the whole idea of inclusivity and lateral thought.

Our administrative methods are totally cut off from this. They are tied directly to instrumental, reasoned, rational approaches.

About the only working tool that European civilization has to rejoin, in a sense, the emotion, the understanding, the feelings of animism -- are the Greek tragedies, which is one of the reasons why these tragedies re-appear every five or 10 years with enormous force. And I saw one recently in a village in Canada where nobody really knew what a Greek tragedy was. Yet people were weeping because it went right past the rational, and the false rational -- it went right past *everything,* and touched something in their core which they did not even know was there, but which they felt, without being able to express.

I have to say that I think that both Canada and Bhutan and some other countries have an advantage on this front. It is very interesting that you will find the animist presence in Buddhist temples in Bhutan. Officially, that could pose some problems, but it is also a very interesting link -- emotional, ethical, moral link, putting together the animist with the Buddhist, with whatever else.

And in Canada, we have this strange mixture of the Anglophone and the Francophone, but tied to the Aboriginal. We still have over a million aboriginal Canadians who have an unbroken link to the animist. And, thank god for Canada, this part of the population is becoming stronger every day. We are seeing the return of Aboriginals to a central role in Canada, a central role which they were guaranteed at the beginning, and that return may be the thing that will actually -- if I could be dramatic -- save Canada, as a civilization. I think it is actually the *key* to Canada's future.

At the graduation ceremony of the lawyers in Iqaluit, Sandra Omik, a young woman who was one of the graduates, talked about how wonderful it was – they had heard about what university was like in the

South -- to be in this less competitive atmosphere, this more consensual atmosphere, because of course, animistic civilizations have a built-in understanding of consensus, as opposed to battle, opposition. And they are very clear in their own minds that what they want to do with law is make it much more about consensus, and much less about opposites, and battling opposites.

Claire L'Heureux-Dubé, who recently retired from the Supreme Court of Canada, one of our great Justices, was there to give a speech in the evening, and she talked about the importance of melding the ideas from traditional Inuit law with Canadian-European law. She talked about how difficult it would be, but how exciting it would be.

This is one of the most interesting things happening in Canada. If we can actually implode our law inwards, so that we get the Aboriginal into the core of it, consciously, we will be able to deal with justice in quite a different way in Canada. We are getting there, but it is very, very slow, and we are only at the early stages of it.

Now, the point of all of this is not to say, "Let's go back to the past." We aren't going back to the past. There are patterns in history, and one has to look at those patterns, because they do revolve in a Tolstoyan manner – there is no question about it. We are not going back to something that existed, but we can create a future out of the past, using the broken elements and the unbroken elements that are already there. We can take the bits and pieces from Judeo-Christianity, from other religions that are coming into Canada, other experiences, and we can put them together and make something new. But the animist is central to that.

I think that sustainable development and environmentalism would act as the proponents of it. The whole message of it would look, act, and sound differently if society, as a whole, had built back into its core this animistic, holistic idea, and I think that it is entirely possible, but it will have to happen in the larger sense, in order for the more precise approaches towards environmentalism to work.

Once you explain to people environmentalism or sustainable development, in a non-competitive manner -- in a civilization manner, in a holistic manner -- people understand immediately, and are supportive. As soon as you start explaining it in a "It is competitive too – it is not so expensive -- we can beat other people by doing this"... people just turn off, because they know that even if it is true, it does not matter because that is all it is really about.

As a writer, I led movements for years. We were told that the reason that there wasn't money for the arts was because the arts weren't really producing, and they weren't important to the economy. So we all went to

work and proved there were 600,000 jobs in the arts in Canada, and it was worth X billion dollars and we export $2.4 billion... and all they did was turn the other way and change the subject, because of course, it wasn't about that. It was about power, and their concept of power.

In other words, I think the challenge is about breaking out of the theoretically rational prison, the rational economic prison, the fear, and the basic assumptions of exclusion.

What are the barriers to good governance? Well, the barriers to good governance are inertia, which comes with some of the things that I have been describing -- the inertia of structure, structural laziness (inertia produces laziness); the desire to protect your territory once you are in one of the structures; self-interest of all sorts, not just financial (but your own self-interest is encouraged); a concentration on the short term, which again comes out of all of this; an obsession with secrecy...

In a way, power in the current civilization comes from hoarding information. There are millions of secrets created every year. What are they? What could they possibly be? They are not secrets, they are pieces of power for the people who actually have the information, and manage to get it registered. A secret prevents change, prevents public discourse.

Another obstacle is the incapacity to share information, because sharing information is a loss of power; an incapacity to admit error, because if you admit error you are no longer a competent professional. You will lose power. Whereas everybody knows that the best way to get to the next stage is to admit quickly you have made a mistake, explain what the mistake was, and change what you are doing so you can move forward. Instead, we have constructed a society -- linear, instrumental -- in which the admission of error is to your *disadvantage,* and therefore, it slows down any real sense of progress.

And then, finally, a terrible confusion between leadership and management. If you examine how much money goes into producing managers in the world today, under the misapprehension that they are leaders... It is not the same thing. A manager manages; a leader leads.

A leader has a relationship with the population. Even a benign dictator has a relationship with the population. A manager does not. A manager is in charge of structure, and part of the problem of the inability to change things, to change the discourse, is tied to this terrible confusion between not heroism, but leadership and management. Management has its role, but it is not any kind of panacea or wonderful thing -- "If we just had more managers, things would be better.' We've got too many managers. We don't need any more managers. We should shut down most of those management schools because they don't actually understand management anyway.

I would say that more harm has been done to the private sector by management schools than by any other part of society. Socialists haven't done *half* the harm that the management schools have done, because they don't understand risk, they don't understand public debate, and they don't understand ownership.

All of these barriers are the opposite from what you need for an inclusive approach. And I say all of this, knowing full well that most of the people who are guilty of these things are also of good will, are decent people, want to do well, want society to do well. It's the structure, and our acceptance of the structure, which makes it so difficult for people to change the way in which they act. They know that if they act out of context, they will lose their job, they won't get promoted, they won't be able to pay off their mortgages, and so on. So when you have a society which is structured to tie people down in that way, well-educated people, you have a very problematic situation.

And I will just give a simple example. Lyonpo Jigmi talked about the glaciers' melt-back in Bhutan. I have just come from flying over I don't know how many dozen glaciers in the Canadian Arctic. You can see them melting back -- it's very clear. In many cases, in Canada, it means they have melted back far enough that when they break off at the end, the icebergs fall on land, as opposed to in the water, so you are seeing a gradual disappearance, a reduction in the quantity of icebergs.

Now, is this being caused by global warming? Is this cyclical? Is this something else? We actually don't know. We know that there are very real reasons why it might be global warming. We also know that there are cycles. We also know there are other factors. But that is not the point. The point is that this is something animistic -- this is beyond our lifetimes. And the precautionary principle should apply, which is that even though we are not absolutely 100 percent certain -- because who is going to sit around at the bottom of a glacier and try and figure out, with 100 percent certainty, what the cause is? Even though we are not 100 percent sure, we don't have the right to take the risk, because if we get it wrong... If we get it wrong, the outcome is incalculable.

But that idea of the precautionary principle -- the reason it can't apply -- is because of linearity, because of false rationality, because of managerialism ... because of our failure to redefine the central discourse.

Let me add in, just as sort of as an aside, a little economic point which is not often made, to show you how far off course we are.

Virtually all of the dominant economic theories in place were invented in the late 18th century to the mid-19th century -- Smith, Ricardo, the whole rest of it -- and we have been feeding off this stuff ever since. They were all based on societies in scarcity -- agricultural,

industrial scarcity. And competition, as defined by them, was part of a race through technology towards surplus, and that is what got you fair prices and fair profits.

In virtually every area of production in the world today, we are now in surplus, *massive* surplus. That does not mean that everybody has access to it, but it is available, if it could be got to people in proper conditions. We are in surplus for shoes, ties, watches, radios, glasses -- everything. We are in surplus. Beef, wheat, rice, fruit -- everything is in surplus. And we are using economic theories based on scarcity, which is fundamentally why you are seeing a race to the bottom, in terms of prices, why competition doesn't work, why you are seeing certain kinds of protectionism inside large corporations taking place -- because we are using economic theories which actually don't apply to today's reality.

This is a very interesting opening for thinkers to invent a new economic discourse which applies to today's reality, as opposed to a reality of the 19th century and the early 20th century. And yet, there is almost no discussion going on inside our Economics departments, based on that idea of probably permanent surplus, or semi-permanent surplus, or surplus for the next 50 years.

I guess one of the things that follows from that -- and you heard it said in the introduction -- is that in any case, economics should not be the lens or the prism through which we are examining society. And this is one of the problems with many of the arguments about sustainable development. At the end of the day, when you pay it back, people arguing in favour of sustainable development are often using, as the foundation of their argument, economic assumptions coming out of the 19th century, as opposed to far broader and more inclusive social or ethical or justice or egalitarian assumptions. And this will make it very difficult to make sustainable development normal. Economics *cannot* be – it is not that they *should* not be -- it *cannot* function properly as the lens or the prism of society.

The principle of justice -- not law but of justice -- is human dignity and egalitarianism together, and they really are the lens through which civilizations are built, *any* civilization. It doesn't matter whether it's Bhutan or Canada, whether it is China or India or Australia -- all civilizations. If you look at what Buddha said, if you look at what Mohammed said, look at Confucius, look at any major theorist, moral and ethical theorist -- they all talk about human dignity and egalitarianism in one way or another. Those are the lenses through which you can build society. You make economics *serve* human dignity and egalitarianism.

Claire L'Heureux-Dubé told the Inuit law graduates that "human dignity implies justice and compassion." Adam Smith wrote two books. One of them (his economic theory) is taught -- not read, by the way. None of the people who quote Adam Smith have ever read him, as far as I can make out, and not for the last 30 to 40 years. Otherwise, they wouldn't quote him the way they do. And that eco theory was a footnote to his big book, which was "Theory of Moral Sentiments," which was all about ethics and inclusion. He begins, in the first few pages, by talking about the difficulty of empathy, the difficulty of imagining the other, the suffering of the other -- in other words, human dignity and egalitarianism. The economics book was just a bit of utilitarian scribbling, which even then has whole sections in it about egalitarianism and human dignity. And of course, all of that is very close to Coady's idea, which is why Coady is so modern and so appropriate today.

The third semi-economic comment which is relevant today is about technology. Technology is fabulous. We have all done very well out of technology. But technology, treated the way we are treating it, becomes an uncontrollable linear force, and as a result, we lose a large part of the advantages of it.

Just think to yourself about the last 20 years. We were told that because of technology, we would save labour, and therefore have more free time. And in that same period of time, we have gone from one middle-class wage being sufficient for a middle-class family with three children, to requiring two wages for one-and-a-half children, even though there has been more consumption.

And how did that happen? How did we lose the value, the imaginative value, that we won through technology? We lost it because we didn't change the discourse. We allowed the one value to be inflated away, essentially -- a form of invisible inflation which is not even discussed -- whereas in fact technology is perfectly controllable, perfectly shape-able. I could give you dozens of examples of how technology can be shaped and limited, and slowed down so that it can be useful to our societies (speed is not a characteristic of civilization).

Let me give you another little example, a very simple strategic example. This is a country, as is Bhutan, with many isolated communities. We share, with Bhutan, communities that often don't have roads going to them, but ours are a lot further apart than yours.

We don't have any central energy theory for dealing with the needs of those communities. We ship in, by barges, once a year, fuel oil to Arctic communities. We fly fuel in to Aboriginal landlocked communities. Most of these communities are sun-baked for eight months of the year. Many of them are in windy spots. All of them have

the availability of burning waste. Many of them could have geothermal energy. Why aren't we doing it? All of these technologies exist. Why aren't we doing it?

Because the dominant discourse is that you need a big economically-based energy theory to solve these problems, as opposed to saying, "Well, you know, this community could have one windmill and 12 solar panels, and that would handle 90 percent of its needs. In that other community, it won't work, but they could do geothermal." In other words, a much more common-sense, down-to-earth, less romantic, less ideological approach towards energy. It could be had.

But instead, people say that wind could never get beyond 10 percent of our national needs. Who is talking about national needs? You see, that is the big ideological, linear, rational approach. Why not just say we have got 2,000 communities that you can't drive to, and they are very isolated. Just set up a group of people, go to them one by one, and figure out how you can do the energy, on a one-by-one basis, without some big theory.

What stops us? What stops us is, we have not redefined the central discourse. The central discourse is all about big theories.

Health care. We have a Ministry of Health – but the entire budget is spent on sickness. People *attempt* to talk about wellness and about prevention – but there is no money for wellness and prevention. There is only money for utilitarian, falsely rational activities. Of course I want the doctors there when I have a disease – but that is not the point. The point is that the way we got from an average life expectancy of 50, in 1900, to an average life expectancy of about 80 today, is by wellness -- by clean water, by sewage collection, and so on. And we are not doing that any more, because we are so locked into this minutia of managerialism, of false rationality, of linearity.

So what I am saying here is, I think this is a critical moment. I have been talking about negatives but actually, you can sense, underneath all these negatives, opportunity -- enormous opportunity. It is a critical moment because we have a critical mass of people involved. These people feel isolated.

But the only way to come positively out of this critical moment is by changing the discourse, the intellectual discourse, and the discourse of power. If you don't have the language, you can't do it. If you don't have the power, you can't change anything. If all you have is influence, then all you have is influence. You may get a few cookie crumbs, but you are not going to get the fundamental changes that you are after. So I think it is very important to differentiate between strategy and tactics, leadership and management, and so on.

Most NGOs were constructed as shadows of the thing they opposed, of the problem. The thing they oppose is a silo. And so, in a way, the structure of the NGOs, even though millions of people are involved, mirrors the structure of what it is trying to get rid off. And that is actually, intellectually speaking, a problem. One, no power, only influence; two, structured in a manner which mirrors what you oppose: in other words, a system which limits many people who want to change the world, limits tactics, and prevents them from getting a strategy.

Strategy is not a great big thing that takes on everything it wants. It's not the trenches of the First World War. That would be disastrous. Strategy is looking at the situation, and trying to figure out, what are the strategic points? What are the one or two or three major programs, major changes, major initiatives, that could be undertaken, which would, in a sense, shift the whole opposing side, shift the same situation?

A great general is somebody who looks at an army -- doesn't matter how big it is -- and pushes a pressure point, and the whole thing either falls apart or just swivels around. That's what strategy is.

And if you want to know what it means in practical terms, well, in Canadian terms and in Bhutanese terms: public education. This country was radically changed by public education. They didn't say, "We are going to change everything." They said, "Were going to produce public education for everybody, and *that* will change everything. And in the latter, we're going to produce health care for everybody, and *that* will change everything." Or, "We are going to ban the death penalty -- that will change the attitude towards justice." Those are strategic approaches, as opposed to ideological approaches. And if you succeed at the thing you concentrate on the rest will follow.

Right now, within the next month, there is a small possibility that the leaders of the Western World will cancel about $40 billion worth of debt from the Third World. If that happens, in a reasonably clear manner, it will be a sign of a new political energy, leadership, a sense that you can change the direction of things.

If it is done, what it indicates is that there is movement afoot. We are into a new approach, a new self-confidence among political leaders. I don't know how much, I don't know how far. We will see whether it happens, we will see how clearly it happens -- how much influence the advisors and the technocrats have to stop it from happening, because they fear that it won't be "regular," to simply rip up the money. But it is a sign of an opportunity, which is an opportunity for all of you.

Let me finish by just saying, what are those areas, what are those strategies for renewing our society? That is not really my business but I could give you my opinion. I think micro-finance is a very important

area, particularly when it is aimed at women. I think that the co-op system, which had a great day, is crying out for re-invention, and that the co-op system could actually be the basis of micro-financing -- it could be a very powerful new tool, not only in Canada but in countries around the world. There are little initiatives, but it could be major.

I think there is an enormous need to redefine education so that, actually, we are not exporting education of one sort all over our country and all over the world. We have to really think about how education needs to be adapted to places, so that we are not simply producing mirrors of what already exists in a few large cities.

I think there is an easy opportunity to create cartels -- *positive* cartels, not negative cartels. In other words, to escape the commodities track, by actually consciously setting out to create international cartels. We are in a surplus situation. We need to reduce production. By reducing production, you bring prices up. By reducing production and bringing prices up, you don't have to use as many chemicals; you don't have to follow the industrial-agricultural method. By reducing the industrial-agricultural method, you actually get the price up, solidify employment, and get better produce... and help the marketplace, and get government out of subsidies. It would be a very interesting and easy area to work in.

Consensus politics in place of opposition politics -- I think there is more and more of a call for that, in various parts of the world, that we mustn't fool people into thinking that there is some dream, wonderful way of getting the truth through opposition, when in fact, the truth can just as easily, and perhaps more appropriately, be got through consensus.

Dealing with the disjunction between the amount of education women have, and how little power they have. Today in Canada, the majority of graduates from law schools and medical schools are women. You wouldn't know it when you look at the power structures. I think that could solve itself within 10 years. But if you allow it to solve itself, as opposed to saying, 'In what way do women wish to take power?", we will have lost a great opportunity, just as we lost most of the investment value of women going into the workforce. I talked about the two-job incomes required -- it was inflated away. Are we also going to inflate away, or lose the direction that could be given, by having a majority of women in two of the most important professions?

It has to be consciously thought about. How would women take the leadership in these professions in order to see whether it could bring us around in an interesting direction?

And then, my last comment is quite simply this, and it goes back to almost my first comment. I have said this before, and I am going to say it until it happens. In the 1970s, many young people stopped going into

politics because they were told there was no point, because inevitable forces were at work around the world. After about 15 years of frustration, they started creating NGOs. We now have a higher percentage of people under 40 in public service than ever before in history, virtually none of them in elected politics... and elected politics is where changes are made. Influence is influence, power is power. If you don't have power, you can't change things in a radical way.

What do you have to do? You don't have to shut the NGOs down. There is nothing wrong with doing two things at once. I mean, it is quite an enjoyable way to live your life, actually. All you do is decide that you are willing to ruin your personal life by going into elected politics -- ruin your family life, make your children bitter, all the rest of it -- but nevertheless, serve the public good by creating political parties, going into political parties, engaging, getting power, and with power, serving the public good, and *that* is a strategy.

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How Should Happiness Guide Policy? Why Gross National Happiness is not opposed to Democracy*

*Johannes Hirata***

Introduction

Gross National Happiness (GNH) as a political program carries with it the ambition to make a difference to real policy decisions. Whatever the precise understanding of GNH, it was always intended to be more than a purely theoretical concept and to make a direct difference to policy making and, what is more, to actual development paths. Yet, whatever policy recommendations we derive from our reflections on GNH, the question arises as to how these recommendations may legitimately find their way into reality. Certainly nobody suggests to forcefully impose any policy recommendations against universal public resistance, however sensible the policy in question might be.

In the context of GNH, two problems in particular arise. First is the question of whether a happiness-based policy in particular and policy recommendations in general do not conflict with democratic principles. Second is the question of whether the claims GNH makes on each individual's personal attitudes and behaviour are not illusory and/or illegitimate. I will treat these two questions in turn in this essay and will try to show that neither is the case.

Does a happiness-based policy conflict with democratic principles?

For good reasons, debates about policy interventions, however controversial they may be, nowadays take place under the premise of democracy. The literature that does not subscribe to this premise is outdated or marginal and cannot hope to get any substantive public approval. This seems to apply also to Bhutan where a democratic spirit and democratic practices have a long history (Galay 2001) and where the

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draft constitution contains an explicit commitment to fundamental democratic principles in its very first two clauses.[1] At the same time, democracy is a very general idea that can be specified in many different ways. However, to the degree the name speaks for itself (from its Greek origin, "rule by the people") it means that political decisions, institutions etc. must ultimately originate from, and be justified in terms of, the will of the people.

With such a conception, it may appear at first sight that the formulation of policy recommendations by social scientists would be (ethically) illegitimate and (factually) ineffective. After all, those elected into power are supposed to execute the electorate's mandate and not to implement policy recommendations that some more or less brilliant scientists have been able to convince them of. And since people naturally know what is good for them—and what will make them happy—democracy would simply demand that political representation mirror people's preferences and that economic activity take place on free markets (since these would maximize total happiness). Against happiness policies in particular it might be argued that they have anti-liberal tendencies because they are illegitimately interested in people's private lives.

Many writers on GNH would disagree (cf. the contributions in Ura & Galay 2004). They might argue, for example, that those elected into political offices should be inspired and conscientious leaders, not only mirrors of the median voter's preferences,[2] and that completely free markets often have a negative overall effect on people's happiness.

Whatever the precise stance and the underlying arguments, it seems clear that one needs a somewhat more refined concept of democracy before such arguments can be settled. While the space and the author's competence do not permit a comprehensive elaboration of such a concept on these pages, a convincing concept of deliberative democracy as developed by political philosophers shall be briefly presented and defended here.

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[1] The draft constitution as published on 26 March 2005 begins thus (after the preamble): "Article 1. Kingdom of Bhutan. 1. Bhutan is a Sovereign Kingdom and the Sovereign power belongs to the people of Bhutan. 2. The form of Government shall be that of a Democratic Constitutional Monarchy. Any other form of Government shall be unconstitutional and is prohibited."

[2] The "median voter theorem" is based on the scenario of a binary decision (for or against a specific proposal) and says that the preferences of the median voter—i.e., the voter who has as many voters to his right as to his left in the distribution of approval intensities—will prevail as long as decisions reflect majorities.

Deliberative democracy

Deliberative democracy can be roughly characterized as "a system that combines accountability with a measure of reflection and reason-giving" (Sunstein 2002:123). In other words, its most distinctive feature as a concept of democracy is that it bases democracy on reflective deliberation. In contrast, other views of democracy, such as that of the social choice theory, starts from the—allegedly value-free—premise that people's tastes, opinions, preferences etc. are not to be questioned and that the good social choice mechanism is the one that produces the most consistent aggregation of preferences that satisfies some common sensical conditions of justice, in whatever way these preferences have been formed.[3] Deliberative democracy demands that choices must be made after a process of deliberation in which people exchange and justify their respective reasons for their preferences. Such a process makes it possible, without of course guaranteeing, that the preferences people will ultimately state (by vote, protest, acquiescence, or active affirmation) are better reflected and more sensitive to other people's moral rights and interests. Deliberative democracy should not be understood as a procedure leading to, or requiring, consensus. It is rather the very process of reflecting and justifying competing interests that should be considered an intrinsic procedural benefit of deliberative democracy.

It may of course be argued that, since consensus is not required nor expected, deliberative democracy would boil down to the same thing as an aggregation of unreflected preferences to the degree that the participants of such deliberations fail to be impressed by the arguments of others. While this is perhaps technically correct, the premise that people will never change their stated preferences upon reflection and consideration of others' moral rights and interests would be problematic. First because, as an empirical matter, people do regularly adjust their stated preferences upon reflection and after being exposed to opposing (or indeed supporting) arguments (cf. e.g., Sunstein 2002). Second and more important, assuming purely self-interested citizens who will never change their mind (that is, who never change their mind for *moral reasons*, as opposed to *strategic* ones) would be quite absurd for a number of reasons, the most important being that any discourse on good decision procedures—including social choice theory itself—would become quite pointless and self-contradictory under this premise. There is little virtue to be expected from even the imaginably best decision procedures that

[3] cf. the voluminous literature sparked by "Arrow's impossibility theorem" (Arrow 1951).

are not complemented by any sense of morality on the side of the citizens. I will have to say more about this below.

Another critique that has been directed at this model of democracy is that extensive deliberation is too costly as that it would ever be possible or desirable to submit each single decision to public deliberation. Apart from decisions restricted to a tiny community, the large majority of decisions will always be taken without much or any public deliberation. At most, a small subset of the (potentially) affected population will be able to participate. Due to this "constraint of deliberative economy" (Dryzek 2001:652), opponents argue, deliberative democracy is an unfeasible model for actual decision making. Ultimately, only more efficient authoritarian models of democratic decision making would be viable alternatives.

Fortunately, we do not have to choose between these two alternatives only (universal and permanent deliberation vs. authoritarianism). The critique just presented should be understood as a critique against a caricature of deliberative democracy, not against its spirit. Well understood, the criterion of deliberative democracy should not be whether each single decision is preceded by actual public deliberation, but rather whether deliberation *can* take place as and when the need arises and whether decisions anticipate, and are responsive to, contestation. Authority, in this conception, is not in itself antagonistic towards democracy. To the contrary, "democratic authority" (Warren 1996:47) must be a constitutive element of any conception of deliberative democracy that does not ignore people's right to freedom from constant involvement in public deliberation. In particular, "democratic authority can exist when an institutionalized possibility of challenge allows individuals to suspend judgment" (ibid.)

In this conception, then, policy makers or, more generally, all those that have been entrusted by society with decision making powers are not simply legitimized by fair procedures (of election, appointment etc.) to do whatever they deem right once they are in office. Rather, even when they have taken an office in a legitimate process, they should continue to remain under the scrutiny of the public and be under an obligation to justify their decisions. Paradoxically, it is precisely this continuous potential challenge that confers democratic authority: the very possibility to challenge judgments and decisions of officeholders—and the experience that they are in principle responsive to such challenge—lays the basis for a trust of the citizens in officeholders that allows the citizens to partially suspend their judgments on specific decisions (Warren 1996:57). It is not that citizens surrender their judgment to officeholders between elections, which would be pretty much the end of deliberative

democracy. It is only that they suspend their judgment on individual decisions, but their trust (or its absence) in decision makers is of course in its turn a judgment, as is their decision when to realize the possibility of challenging authority. It is these judgments that permit citizens to partially suspend judgment on specific issues (ibid.). Thus, authority is not antagonistic towards deliberative democracy, but, to the contrary, a constituent element of it.

Policy recommendations and deliberative democracy

Before this background we can now see how policy recommendations are after all reconcilable with deliberative democracy. The important thing to understand is that there is a place for policy recommendations *within* this concept of deliberative democracy, not in addition to it. In other words, expert policy recommendations must not bypass the democratic procedures that legitimize political decisions; they must become an input to the same. This implies that decisions based on policy recommendations must be open to contestation by the public, as all other decisions must be.

Of course the roles of different actors would be differentiated in deliberative democracy. While all actors would be equally legitimate participants of the public discourse and would therefore be entitled to advocate or challenge specific decisions, some actors would have special privileges and responsibilities. To begin with, legitimately elected officeholders (including those appointed by elected authorities, such as ministers or judges) would have certain privileges that derive from the simple fact that they have been entrusted with decision making on behalf of the electorate. Again, this does not mean that, once elected, they are entitled to do whatever is just not illegal, but it does mean that they are entitled to take decisions without the need to seek explicit approval for every single decision, provided that they give a chance of challenge to potential opponents. Furthermore, special powers of decision or of influence should be accompanied by special responsibilities. Thus, a researcher who has extensively studied a particular societal issue will rather easily make her voice heard in the media or by counselling politicians directly, and there would be nothing illegitimate about her giving advice to politicians on what she personally believes would be the best policy—as long as the public has a chance of challenging her advice. Similarly, newspaper editorial writers with considerable influence on public opinion have an obligation to particular prudence in their published judgments, but the exertion of their influence is not as such undemocratic or otherwise illegitimate as long as a proper degree of media independence and plurality is warranted.

In short, what deliberative democracy requires is that any policy recommendation or, more generally speaking, any constructive political opinion is an input into, and not a substitute of, the democratic process, and that any decision taken by officeholders (which will almost inevitably be based on one or another policy recommendation) will in principle be responsive to public challenge.

This characterization of the institutional preconditions for the reconciliation of democratic principles and policy recommendations also indicates the limits to form and content of policy recommendations that may be submitted to the democratic process. First of all, policy recommendations whose aim, or incidental effect, is to seriously undermine deliberative democracy would not be admissible in the same way as an unconstitutional political party would not be admissible in a multi-party democracy. "Not admissible" is of course meant in the sense of not being morally admissible rather than in the sense of being illegal. As long as such undemocratic policy recommendations are covered by the right to freedom of expression, they should not be suppressed by legal sanctions. Being not morally admissible should rather imply that such policy recommendations stand no chance of being seriously considered in a functioning deliberative democracy.

Second, when a particular policy recommendation is advanced, it should be justified by giving reasons why the society should want to adopt that particular policy, rather than by purely mechanical arguments based on alleged natural social laws. For example, it would be problematic to recommend a particular measure, even if it concerns the extension of democratic participation rights, based simply on statistical evidence that such a measure tends to increase citizens' happiness (as in Frey & Stutzer 2002). Such a justification reflects a view of citizens as happiness functions and of policy makers as social engineers that have to fulfil some independent objectives. It fails to address the reasons the citizenry may or may not have to make the recommended cause their own (cf. Thomä 2003:155). One does not need to deny the existence of causal effects of certain policies on people's wellbeing to demand that such policies always need to be justified *also* and ultimately in terms of the specific, contextual reasons people should have to advocate such policies in public deliberation.

In addition to (i) the institutional preconditions and (ii) the formal and substantive criteria of admissible policy recommendations, the reconciliation of policy recommendations with deliberative democracy—indeed, deliberative democracy itself—requires (iii) an ethical predisposition—or simply: morality—on the side of the participants of public deliberation, including citizens, experts, multipliers and legitimate

officeholders. While any democratic constitution of society must be able to withstand undemocratic and immoral attitudes of a minority, it cannot be built upon the assumption of the complete absence of morality. I shall try to explain what this implies for policy recommendations in general and for GNH related proposals in particular.

The imputation of morality

Saying that deliberative democracy requires morality does of course not mean that citizens must always do the good and never the bad, or that they must be always motivated by pure benevolence. It does not, in other words, mean that citizens must be saints. It just means that they respect others' moral rights for other than strategic reasons, i.e., to judge and act from the moral point of view. Morality, in this sense, simply means that I do not (ab)use the other only as a means in my strategic calculus, but that I care also about him or her as a vulnerable human being. The criterion is not whether I protect another person's specific interest at any cost to myself, but whether I sincerely care about that person's interest and allow it to become, in principle, a reason for me to act against my immediate interests. What is necessary in deliberative democracy, therefore, is a general readiness to critically revise one's private preferences and/or to act against them in the light of others' justified interests.

Such a conception of democracy is not for the first time proposed here, but it may attract criticism from two sides. First, it may be criticized that it is *unrealistic* to expect that a significant portion of the citizenry is willing or able to take this moral point of view. Whatever the exact arguments of such a criticism, it will be either misdirected or simply wrong. It would be misdirected if it was meant to criticize the view that people would generally sacrifice their own interest for those of another. After all, morality in the sense just described does not at all imply that the pursuit of one's own interests would in any way be illegitimate as such or that one should sacrifice one's wellbeing for that of others. All it says is that the pursuit of one's interests must be conditional upon its respect for the moral rights of others. In other words, the pursuit of one's interests is *prima facie* legitimate and only needs to be justified, and possibly revised, when others' legitimate interests are compromised. The criticism would be wrong if it was claimed that, as a matter of fact, people have no moral sense. This should be clear once the implications of such a claim are understood. The widespread absence of any morality would mean, e.g., that we could only communicate and interact strategically and would have to suspend any trust. The very business of science—defending theories and hypothesis by reasoned argument—

would become pointless in such a world—in fact, the very justification of the view that morality does not exist would become a performative contradiction, i.e., it would be an exercise of communicative (as opposed to strategic) rationality that is denying its own existence. The absurdity of such a claim has been nicely caricatured by Amartya Sen (1983:96): "‹Where is the railway station?› he asks me. ‹There›, I say, pointing at the post office, ‹and would you please post this letter for me on the way?› ‹Yes›, he says, determined to open the envelope and check whether it contains something valuable." We certainly do not live in a world without morality. It would of course be futile to attempt to ascertain the exact degree of the prevalence of morality. Yet, in the absence of such estimates, we will certainly fare better being optimistic about human morality than pessimistic, preferring to impute rather a little too much morality than too little.

Second, it may be criticized that it is *illegitimate* to require that people change their preferences. This criticism may be expected to follow from the standard dogma in economic theory that preferences are sacrosanct and not to be criticized. As long as negative externalities are internalized through the price mechanism, the argument goes, nobody's preferences should be questioned since "a taste for poetry is no better than a taste for pushpins" (Frank 1997:1844, citing Bentham). This critique, too, is mistaken on several accounts.

First, the very view that people *have* given preferences is highly implausible and problematic. Rather, human beings appear to be *constructing* their preferences themselves all the time, albeit not from scratch and within limits (Hirata 2003:108). This implies that there usually exists no "genuine" preference from which an individual is manipulated away through outside influence. Rather, the construction of preferences will unavoidably be influenced by communication and interaction, and as long as the person is the master of her judgments, there should be no reason to fear that she is unduly manipulated.

Second, it is not only that outside influences are not necessarily manipulative. People in fact actively seek outside orientation for the sake of rightly choosing their preferences. Most people want to live well and responsibly without having a complete and ready-made conception of either the good life or of legitimacy. Asking themselves how they want to live, who they want to be, and what their values should be, they often welcome the open-ended deliberation with others even if their preferences are challenged in the process. As a reflected economist once said, "life is at bottom an exploration in the field of values, an attempt to discover values, rather than on the basis of knowledge of them to produce and enjoy them to the greatest possible extent. We strive to

'know ourselves,' to find out our real wants, more than to get what we want" (Knight 1964:1).

Third, declaring the questioning of others' preferences illegitimate would mean doing away with the idea of ethics, of responsibility, rights, and duties altogether. The mere fact that a person compensates others for the damage he inflicts on them (i.e., the idea of paying for negative externalities) does not in itself legitimize the underlying preferences. As Brian Barry (1991:264) vividly argues in an analogous context,

> We will all agree that doing harm is in general not cancelled out by doing good, and conversely that doing some good does not license one to do harm provided it does not exceed the amount of good. For example, if you paid for the realignments of a dangerous highway intersection and saved an average of two lives a year, that would not mean that you could shoot one motorist per year and simply reckon on coming out ahead. (quoted in Neumayer 1999:40)

The same case can be made for most negative externalities. A rich person may have no difficulties to compensate, say, a community of indigenous forest dwellers for their resettlement in a different location in order to build a weekend residence for himself. Yet, considering the alternatives, one might question whether he should not *want* to put his fortune to a different use and content himself with a less "unsettling" weekend destination. Indeed, "the way people allocate money is not always optimal from a social point of view" (Thinley 1999:20). Similarly, we do not only condemn sadistic practices but also the *desire* for such practices, and it is for the same reason that the law prescribes harsher punishment for homicide when it was committed with "malice aforethought" (murder) than when it was committed out of recklessness or negligence (manslaughter). The point I want to make is that preferences are not morally irrelevant and that we are right to demand justification for questionable preferences.[4]

When it is recognized that moral demands can (realistically) and may (ethically) be made on citizens, there should be no reason to exempt policy recommendations from making moral demands. In fact, any policy recommendations that does not exclusively address purely opportunistic interests of the addressees—i.e., practically all serious policy recommendations—will automatically make some moral demands. After all, policy recommendations need to be justified by reference to some

[4] Furthermore, the very concept of externalities requires some moral concept of legitimate preferences. For example, I may find that factory noise is an illegitimate nuisance but that the noise of playing children should not be disliked in the same way.

social benefit, not to the private advantage that politicians, or indeed voters, may expect to reap ("we recommend to abolish eco-taxes in order to make more profitable use of defenceless future generations' assets"). Even the public choice school that portrays policy makers as purely self-interested agents does not seem to go that far in its own policy recommendations.

Happiness-based policy recommendations potentially address people's private ethos (i.e., prudence *and* morality) much more explicitly than policy recommendations based on other research, and Gross National Happiness in particular takes persons' attitudes explicitly into the equation, as a key passage from Lyonpo Jigmi Y. Thinley's Millennium Meeting address emphasizes:

> The knowledge of the self is important to attain individual liberty and freedom, to gain happiness. … I attach a slightly different meaning to concepts like freedom and liberty than is customarily done. We can gain freedom fundamentally through the destruction of delusion, aggression and desire. … Happiness depends on gaining freedom, to a certain degree, from this particular kind of self-concern [of 'paying excessive attention to our selves, our concerns, needs and likes']. (Thinley 1999:17-18)

Yet, criticizing this as a weakness of the GNH approach would again be misguided. As I have just argued, every policy recommendation will rightly make some demands on the addressees' ethos—so why not extend the audience to all citizens, rather than restricting them to policy makers? Indeed, it seems rather inconsistent that most policy recommendations—and their underlying theories—do *not* articulate any moral exigencies demanded from citizens. To be sure, moral demands alone will hardly make any difference, and there exists a danger in overestimating people's receptiveness for moral demands, especially when not backed by "institutional backrests" (Ulrich 2001/1997:319) that reduce the private costs of socially responsible behaviour. Yet, just as policy makers are usually called upon to design good rules of the game (by appealing to their responsibility, not to their private advantage), so should ordinary citizens be called upon to act virtuously within these rules, and be it only for consistency (i.e., not arbitrarily excluding citizens from moral demands). Many citizens may in fact be eager to understand what virtuous action would exactly mean in the context of the recommended rules of the game, and explicitly addressing these concerns would enrich, rather than patronize or manipulate, public debate.[5]

[5] Moreover, many collective action problems seem to depend precisely on the public articulation of behavioural norms as a precondition for universal

Complementing recommendations for better rules of the game by explicitly addressing the role of people's private ethos should therefore be no reason for embarrassment, but rather a natural feature of any comprehensive political program or policy recommendation.

How exactly may happiness be expected to influence development?

In light of the conception of deliberative democracy outlined above, one should not expect a simple "application" of GNH to societies that bypasses the democratic decision making process. Yet, the question of how GNH ideas may be expected to be transmitted into real-world decision making shall not be evaded here with a formal reference to the democratic decision making process. While deliberative democracy is a rather formal concept, it should be part of the theorist's job to point out how this form might be filled with substance in different contexts or scenarios. While I shall not go very deep into this issue at this point,[6] I will highlight four specific ways on different levels in which the concern with happiness, in particular as understood in GNH, may be expected to make a difference to development.

Institutional level: provisions to reduce the frame-of-reference effect

Both empirical evidence and theoretical reasoning strongly support the notion that poverty is relative and that, as a corollary, wellbeing depends on some social frame of reference. In particular, I suggest that this frame-of-reference effect is driven by at least three distinct social dynamics:

(1) *Positional competition* (Hirsch 1976) leads people to spend money on a positional arms race for status or otherwise for a high position in a socio-economic hierarchy that alone can provide a valuable ("oligarchic") privilege. Since the total supply of positional goods cannot be augmented by productivity gains, however, such competition is, from a social welfare point of view, a zero-sum game, and expenditures made for positional goods are thus social losses.

(2) *Secondary inflation* makes a given functioning (Sen 1985:10) more costly in terms of goods, just as primary (i.e., monetary) inflation makes a

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understanding. If a municipality puts up glass disposal containers for recycling purposes, for example, there would be little use if this measure was not complemented by a publicly justified articulation of the citizen duty to cooperate with glass recycling. The failure to communicate this expectation may undermine people's confidence in general cooperation which in turn may stifle a latent readiness to cooperate on the side of each single individual.

[6] A more elaborate discussion of this question can be found, in German language, in Hirata (2005 [in print]) and, in English language, in Hirata (2006 [forthcoming]).

given good more costly in terms of money units. For example, the deterioration of public transport in Los Angeles brought about by the surge in the number of private cars now practically obliges families to posses a car to function normally in society. Doing one's grocery shopping, e.g., was once a matter of paying for a bus ride, but now involves the much higher cost of owning and operating a car.

(3) *Adaptive aspirations* have the effect of reducing the satisfaction a person derives from a given functioning because exposure to superior goods lead to rising aspirations. For example, a state of the art personal computer from five years ago would not at all satisfy consumers today because they have come to expect better functionality. Similarly, our ancestors would not have considered themselves unhappy for not having a hot morning shower, but once we got used to it we take it for granted and do not derive any positive satisfaction from this comfort.

All these effects may be tackled to some degree by smart rules of the game, and in fact are already being partially addressed (Frank 1999, Layard 2005). Positional competition, e.g., may be slowed down by limiting the hours people work; secondary inflation might be addressed by long-term policies (e.g., urban planning) that expose the secular choices societies confront rather than relying on piecemeal decisions of individuals (Hirsch 1976, Mishan 1979/1967, Schelling 1974); and adaptive aspirations can be addressed by limiting exposure to superior consumption goods (by reducing income inequality or by banning advertising towards children below the age of twelve, as Sweden has done).

Individual level: educational effect of knowing about cognitive fallacies

Apart from the just outlined social dynamics which occur even if, or precisely when, individuals decide rationally, happiness may be compromised by irrational behaviour. Psychological research has gathered firm evidence that people frequently commit cognitive fallacies when it comes to predicting happiness. For example, they often fail to anticipate that, and how rapidly, they will adjust to better performing computers or hot showers (Frederick & Loewenstein 1999). They overestimate the effect of a given change in their living conditions for the simple fact that their attention is drawn to them ("focusing illusion"; Schkade & Kahneman 1998). They also tend to overestimate their taste for diversity when anticipating future choices (Read & Loewenstein 1995). Publicly debating happiness may raise people's awareness of these effects, and once people know about these cognitive fallacies they may be expected to make more prudent decisions, just as knowledge about

nutritional features of different foods has been making a difference to people's diets.

Societal level: giving weight to (inter-) subjective arguments

Prevalent discourses tend to selectively establish legitimizing justifications. Our modern time's veneration of, some would say obsession with, objectivity, for example, obliges people to justify their judgments and decisions by reference to some objective arguments. What is more, people find it prudent in terms of their own interest—not only just with respect to others' interests—to base decisions on objective rather than subjective criteria. For example, a majority of respondents in an experiment said that they would be *more satisfied* earning US$33,000 when their equally qualified colleagues earn US$30,000 than earning US$35,000 when their colleagues earn US$38,000,. At the same time, however, 84 percent (of another group of respondents) said they would *choose* the latter scenario (Tversky & Griffin 1991:114). Apparently, people do not consider their resulting subjective satisfaction to be a legitimate reason to act upon, perhaps because "the market culture teaches us that money is the source of well-being, [and people,] lacking privileged knowledge of the causes of their feelings, … accept conventional answers" (Lane 2000:70) Here, publicly and seriously debating happiness might help do away with the stigma of subjective arguments so that reasons are evaluated on their inherent merit and not on insignificant formal criteria such as whether they are objective or subjective.

Conceptual level: acknowledge role of personal attitudes for happiness

Modern social sciences, with the partial exception of psychology, have come to restrict their domain of interest to living *conditions*, the rules of the game and social, economic, and political systems, as opposed to the inner life of the subjects that, after all, constitute such systems. This is also true for development theories and has been accompanied in most Western societies by an almost exclusive concern in public debates with citizens' (negative) rights and freedoms at the exclusion of obligations and behaviour-orientating norms. Development is seen basically as a matter of building an agreeable world around people who are assumed to be equipped with all those competencies and attitudes it takes to become thriving and well-adjusted citizens once favourable living conditions are established. As Scitovsky (1992/1976:4) noted, "we are accustomed to blaming the system or the economy and have gotten out of the habit of seeking the cause of our troubles in ourselves."

Unfortunately, however, the conditions of life are not always agreeable. While there are certainly many aspects of today's "systems"

that need to be rectified, people's attitudes, characters, inner strength etc. are also a vital component of development. In fact, people's inner life plays two constitutive roles in development. On the one hand, a certain moral posture (commitment to basic moral principles, a conception of the good etc.) is a requirement for any societal "system" to function well (Rawls 1999/1971, Hirsch 1976, Giannetti 2002). On the other hand, some inner strength and positive attitudes are what allows people to live fulfilling lives even under not so agreeable living conditions. If public debates were centred around happiness rather than economic conditions, one might expect that people's inner life would be taken into the equation of development. In this sense, GNH-inspired theories appear to be more complete than mainstream development approaches that are exclusively concerned with the living *conditions*, and not at all with *living*.

Conclusion

Happiness-inspired policy recommendations, I have argued here, are neither illegitimate nor illusory, provided that they are submitted as justified suggestions to the democratic decision making process. As all other policy recommendations, they have to prove themselves in the public discursive contest of arguments. One argument that might turn out to become a particularly convincing feature of GNH is its inclusion of the inner life into the domain of interest. While people's inner life is perhaps no direct field of policy intervention, it would be an inconsistency and a gross omission to conceptualize and debate development without taking the role of personal attitudes, ethos, and values into account.

There are a number of specific ways in which the shift in public debate from economic conditions to happiness may affect a society's development path, i.e., policies as well as people's private lives. I have here defended the view that the specific path of good development must be negotiated in a given society under the premise of deliberative democracy, and that such negotiation makes, and should make, some moral demands on the negotiators—the citizens. In other words, good development needs both, appropriate rules of the game and citizens who care about others' moral rights. By addressing both sides of the equation, GNH brings us a big step further towards a more comprehensive conception of development.

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Assessing the Full Cost of Energy in Nova Scotia: A GPI Atlantic Approach

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Abstract

The extraction, production, transportation, marketing and use of energy have effects on peoples' health, the environment, and society. Few of these effects are reflected in the market price of energy. The GPIAtlantic Energy Accounts identified and attempted to measure the sustainability and full cost of the current energy system based on "full-cost accounting" principles. Twenty-nine indicators covering socio-economic, health and environment, and institutional considerations were presented in the full report. This paper represents a summary of this study, focusing on the full cost analysis of energy in Nova Scotia. Only air emissions and greenhouse gases had all the data required to conduct a full cost analysis. The analysis of the damage costs associated with Nova Scotia's energy sector in 2000 resulted in a low estimate of over $ 444 million, and a high estimate of almost $4 billion. These aggregate cost estimates represent only a small fraction of the true costs of energy as these do not include cost impacts associated with energy affordability, reliability, security, resource costs, subsidies, land use, and land and water contamination. Despite the exclusions, limitations and difficulties of costing exercises, the very act of considering the full costs of energy is extremely important. The endeavour of attempting to estimate the costs of goods and services allows the consideration of costs that are outside of our traditional accounting system, and therefore not reflected in decision-making. The information presented here can be used by Nova Scotia (and others) to actively pursue a more sustainable energy sector.

Introduction

As a society we currently measure our progress primarily according to economic rates of growth. If the gross domestic product (GDP—the sum total value of all goods and services exchanged for money)[1] is growing at an ever-increasing rate, we describe the economy as "robust," "dynamic," and "healthy" (Statistics Canada, 2003). This, we assume, translates into social wellbeing and prosperity. This assumption guides our policy decisions and even determines what issues make it onto the policy agenda. What we fail to acknowledge is that the faster our current (fossil-fuel based) economy grows, the more rapidly we may be depleting our

[1] According to Statistics Canada (2003): "Gross domestic product (GDP) is a popular indicator used to estimate the value of economic activity. GDP measures two things at once over a given period of time: the total income of everyone in the economy and the total expenditure on the economy's output of goods and services produced within the country."

non-renewable natural resources, and the more air pollutants we may be emitting. Because we assign no value to our natural capital we mistakenly count its depreciation as economic gain, with no regard to the reduced flow of services that may result in the future.

To address the shortcomings of the current economic valuation system, GPI*Atlantic* is constructing an index of sustainable development, the Genuine Progress Index (GPI) for the province of Nova Scotia, which is designed to provide a more accurate picture of our wellbeing as a society. Unlike the GDP, which values only human-made capital, the GPI also values natural, social, and human capital. Unlike conventional assessment tools that are not capable of factoring long-term social and environmental impacts into the cost-benefit equation, the GPI is based on "full-cost accounting" principles that are essential to promote optimal economic efficiency. The research requires the identification of indicators of sustainability, followed by a full cost analysis. This paper represents a summary of GPI*Atlantic*'s most recent work, which identified and assessed the full costs of energy in Nova Scotia.

The extraction, production, transportation, marketing, and use of energy have effects on peoples' health, the environment, and society. Few of these effects are reflected in the market price of energy. For instance, air pollution from the burning of fossil fuels and wood has measurable impacts on people's health, which result in higher health care costs. The production of energy also has positive social benefits in that it creates jobs and economic wealth. While these benefits are more aptly reflected and monitored in the market economy, a better understanding of the full costs and benefits of competing energy choices is needed to help move society towards a more sustainable energy future.

The GPI*Atlantic* Energy Accounts identified and attempted to measure the sustainability of the current energy system through a series of sustainability indicators. The full report presented twenty-nine indicators covering socio-economic, health and environment, and institutional considerations (Lipp, et al, 2005). Of the twenty-nine indicators only air emissions and greenhouse gases had full data available that allowed for a full cost analysis. Others, for which the data limitations prevented a full analysis, are discussed but not assessed quantitatively. These include energy affordability, reliability, security, resource costs, subsidies, land use, and land and water contamination.

Estimating the Monetary Value of Externalities

Air pollution and GHG emissions are 'externalities'. An externality is defined as the effects of a market transaction on individuals or firms other than those involved in the transaction (Monette and Colman,

2004).[2] Environmental or "full-cost" accounting attempts to provide a more accurate and comprehensive picture of the full or true benefits and costs of economic activity by giving explicit value to externalities. Estimating monetary values for externalities is not an exact science because money is a poor tool for valuing goods and services that are not regularly traded in the market economy. Valuation results often depend on the judgment and the assumptions of the analyst. As a result, there are several methods for estimating the monetary value of environmental externalities. The two main methods are those that focus on the damage caused by the externality, or the cost of controlling the substance that results in the negative impacts. This paper focuses on the damage costs, as these represent the actual price that is paid by society, rather than the cost of actions or technology that would limit or control the externality.

Estimating Damage Costs

Damage cost calculations are based on the cost of the damage that the externality causes to society and the environment. This method involves the monetization of various social effects (visibility, human health, land use, agriculture, etc.). Once monetized and linked to initial pollutant loading or action, policy makers can address these externalities effectively. It must be understood that the actual emitting of a pollutant is not necessarily an expensive or costly action; rather the costs emerge from the resulting impacts. Monitoring and calculating the damage costs of the ultimate impacts in each situation (e.g. tracking each tonne of sulphur dioxide emitted from a source to the exact location where the acidic deposition occurs and measuring the effect on plants and aquatic life), though preferable, is nearly scientifically impossible and would be extremely expensive. Therefore, GPI utilizes studies that have linked ultimate damages with the initial actions.

The method used in this study is referred to as environmental value transfer. This term refers to the use of estimated valuations from one study location and applying them to another, in this case, for the province of Nova Scotia (Brouwer & Spaninks, 1999). Through the use of other more costly and direct research, general comparisons can be made

[2] Externalities can be both positive and negative. Negative externalities include water and air pollution for example. Positive externalities in the area of energy may include the sequestration of carbon by biomass crops, or the improvement of agricultural yields due to nitrogen deposition. One externality can sometimes be either positive or negative depending on the situation or degree. For example, nitrogen that has been converted in the atmosphere to an acidic form will fall as acid rain on crops thereby decreasing productivity.

to other regions outside of the initial study area. While this field of study is not without controversy, it is often pursued due to the overall cost effectiveness (Brouwer, 2000).

This paper presents both a low and high estimate in order to better represent the often-significant variability of the cost estimates in the literature. The substantial gap between the high and low estimates also reflects the different assumptions made in each of the studies.[3]

In light of these caveats, we may conclude that estimating the damage costs of air pollution and GHG emissions can be a highly useful tool, provided it is used with proper caution. It is unreasonable to assume that we can place a precise dollar value on everything, and economic valuation exercises cannot be judged by that standard.

Although much has been written on this topic, the methodologies are still developing, as this is such a young, complex, and contentious field of study. Moreover, costs will vary from place to place because there are many national and regional variations that affect any cost estimate. Despite the uncertainties, this is an important exercise since not assigning a value to non-market good and services implies they have zero monetary worth. "Whatever value one may choose to assign natural capital, zero is surely the wrong answer" (Hawken et al., 1999).

Dollar value estimates are developed for air pollution and GHG emissions in Nova Scotia for 2000. The year 2000 was selected, as it is the most recent year in which air and GHG emission data are available. Unless otherwise specified, all comparative monetary values in this report are in Canadian constant 2000 dollars (2000 CND).[4]

Calculating Externalities with Dollar Cost Estimates

Air Pollutants

The damage cost estimates for air pollutants most often include health care expenditures, as well as the costs associated with general environmental degradation (e.g., reduced crop yields, forest defoliation, acidification of lakes etc.). Varied assumptions based on these primary factors as well as the general characteristics of the valuation study help to

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[3] For a full discussion and analysis of the assumptions that were used to formulate each of the cost estimates see Monette and Colman, 2004.

[4] Conversion values were calculated using the Bank of Canada's DataBANK Statistics Look-up, which provides an historical record of inflation as well as foreign currency conversion rates. Values given in foreign currencies were first converted to Canadian dollars and then adjusted for inflation. For inflation rates see: www.bankofcanada.ca/en/inflation_calc.htm. For currency conversions see: www.bankofcanada.ca/en/exchange-avg.htm and www.x-rates.com.

explain the often wide ranging cost estimates found in the literature. With the exception of mercury, the cost estimates used in this article are taken from the previous work conducted by GPI*Atlantic* in *The Ambient Air Quality Accounts for the Nova Scotia Genuine Progress Index* (Monette and Colman, 2004).

Table 1. Nova Scotia Energy Air Pollutant Cost Estimate, 2000

Pollutant	Emissions (tonnes)	Low Estimate ($C2000/tonne)	Damage Costs	High Estimate ($C2000/tonne)	Damage Costs
CO	52,782	$2	$105,564	$6	$316,692
TPM	14,467	$2,120	$30,670,040	$5,180	$74,939,060
Sox	146,621	$1,380	$202,336,980	$10,500	$1,539,520,500
NOx	30,547	$1,410	$43,071,270	$12,450	$380,310,150
VOCs	11,474	$2,000	$22,948,000	$8,240	$94,545,760
Hg	0.267	$8,180,421	$2,184,172	$11,521,511	$3,076,243
Total			$301,316,026		$2,092,708,405

Source: (Emissions) Environment Canada, 2005. (Estimates) CO, TPM, SOx, NOx, and VOCs from Monette and Colman, 2004. Low mercury estimate from Nolan-ITU et al., 2001. High mercury estimate from Tellus Institute, 1992.

Note: Dollar value adjustments for damage costs taken from the Air Quality Accounts were adjusted for inflation and foreign currencies (Monette and Colman, 2004:151).

Estimates for carbon monoxide (CO), total particulate matter (TPM), sulphur oxides (SOx), nitrogen oxides (NOx), volatile organic compounds (VOCs), and mercury (Hg) are provided in Table 1. High and low estimates are presented and are multiplied by the emissions of the various pollutants. The emissions represent the tonnes of energy emissions for Nova Scotia in 2000 (excludes emissions from transportation and oil and gas refineries).[5] This analysis shows that a low estimate of the cost of the emissions in Nova Scotia for one year could be just over $300 thousand, while a high estimate would be just over $2 billion.

It should be noted that the cost estimates do no represent or include the damage costs associated with air pollutants generated from the non-energy sector within the province.[6] Emissions generated outside of Nova Scotia that impact the air quality in the province are also not represented. The inclusion of these emissions would significantly increase the cost estimates. The other consideration is that the emissions produced in the

[5] The emissions from oil and gas production cannot solely be attributed to the energy sector because a large portion of the fuel is used for transportation.
[6] This also excludes transportation emissions.

province may impact other jurisdictions, and those costs would not be incurred directly by Nova Scotia.

Greenhouse Gas Emissions

The case of greenhouse gas emissions typifies the complexities of full cost accounting. Though produced locally, these emissions have global impacts. Additionally, emissions released today will have uncertain effects that reach well into the future. These elements combine to make the establishment of a single dollar value a significant challenge—but not an impossible one. Despite the difficulties, this is an important endeavour due to the fact that the inherent and unseen costs associated with greenhouse gas emissions have been largely neglected.

When calculating the damage costs associated with the release of greenhouse gases, a wide array of subjects must be considered and understood. The assessment of the future impacts of climate change must consider the effects on ecological and terrestrial systems; society; agriculture; coastlines; human adaptation; global weather systems; human health and disease; and the vulnerability of people in different countries and regions. Furthermore, there are assumptions and predictions of future emissions levels and of the resulting environmental, social and economic impacts; the estimated costs of the impacts; the overall timeline selected; the valuation of money; and who is presumed to take responsibility for the emissions. It is the assumptions regarding these areas that create damage cost estimates for greenhouse gas emissions. Subtle alterations to any one of these facets can change the outcome of the cost estimate.

The estimates used here are based on the comprehensive research and analysis of 28 independent studies covering 103 estimates of the marginal damage cost for carbon dioxide (Tol, 2004). This extensive study of the literature demonstrates the wide range of the damage cost estimates per tonne of carbon dioxide (ranging from less than zero to the highest estimate of $2,472.48 - 2000 CDN).[7] The primary conclusion from this research was that the damage costs of carbon are unlikely to exceed a value of $74.17 per tonne (2000 CDN), and are very likely to be significantly lower (Tol, 2004).[8]

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[7] Based on converting the highest estimate of $1666.70 (1995 US) to 2000 Canadian dollars.

[8] Based on the conversion of the $50 (1995 US) estimate that represents the mean of all of the peer-reviewed studies as highlighted in the author's concluding remarks.

The low estimate for the marginal damage cost of carbon determined to be the most representative was $10.38 (2000 CDN). This number was chosen as it is the median of all of the estimates that used a "pure rate of time preference" (discount rate) of three percent. This number corresponds to a "social rate of discount of 4-5 percent, close to what most western governments use for most long term investments" (Tol, 2004:2073).[9]

The high range determined for the marginal damage cost for carbon dioxide was $137.96 (2000 CDN). This number was selected as it represents the mean of the entire 103 cost estimates reviewed in the study.[10] The selection of an estimate above the upper limit identified in the study was done for two reasons. First, the recognition of the precautionary principle demands that a higher estimate for the marginal damage costs of greenhouse gas emissions be included. Higher damage cost estimates are generally the result of more pessimistic forecasts of the consequences of climate change. This means that consideration is given to the possibility of extreme damage scenarios, and impacts that would be permanent or irreversible. Secondly, a higher estimate was included due to the fact that it was noted that peer-reviewed studies provided the most conservative cost estimates. Tol (2005) suggested that the peer-reviewed articles used more rigorous methods and the results were thus more certain. However, the referees of the journals may have influenced these results. It was noted that referees might be unwilling to publish any of the cost estimates that are outside of the area considered to be the general consensus.[11]

The results of the full cost accounting methods are shown in Table 2. Both the high and low marginal cost estimates are combined with the

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[9] Discounting is a process that allows total social costs and benefits in different years to be converted to a common measurement so that they can be properly compared to one another based on the assumption that a dollar now is worth more to people than a dollar received in the future. The question of discount rates is controversial and depends on how the future is valued by decision-makers in the present. The discount rate is effectively an expression of society's willingness to trade the future for the present and it can have an enormous impact on the outcome of economic valuation studies, particularly those with a long time range (50 years or longer).

[10] The mean reflects both the highest and lowest of all of the estimates, and does not distinguish based on the varied assumptions. This decision was taken as it was thought to be important to adequately reflect the broader range of estimates found within the literature.

tonnes of greenhouse gas emissions generated from the Nova Scotia energy sector. The resulting cost for the low estimate is almost $143 million, and the high estimate is roughly $1.8 billion dollars (2000 CDN).

Table 2. Total Damage Cost Estimates of the Greenhouse Gas Emissions from the Nova Scotia Energy Sector, 2000

	Low	High
Cost Estimates (per tonne)	$10.38	$137.96
Emissions (tones CO2 eq.)	13750000	13750000
Total	$142,725,000	$1,896,950,000

Discussion of Externalities With-Out Dollar Cost Estimates

Assigning dollar values to other energy externalities has received less attention but also requires study as air emissions and greenhouse gases are only some of the consequences of our current energy choices. In this section we explore other costs of the Nova Scotia energy sector without assigning dollar values – time, resource and data constraints prevented the project from carrying out full cost assessments for these other areas of concern.

Affordability

When the cost of energy exceeds the ability of people to pay for it, a number of social problems ensue. For instance, having to make choices over competing household necessities, like food, rent, clothing, or heat, causes great insecurities about how to make ends meet. More directly, fuel poverty causes people to live in cold conditions that in turn often lead to dampness and associated increases in mold. There are also the direct and measurable costs of fires and deaths due to makeshift heating in fuel-poor homes.

Fuel poverty has been researched extensively in the United Kingdom, a country that has high fuel-poverty levels. The annual cost to the national health system of treating cold-related illnesses was estimated at around £1 billion in the early 1990s (Boardman, 1991 in Friends of the Earth Scotland, 2000). This is considered an underestimate as it excludes treatment for asthma, other allergic conditions and decreased productivity, decreased mental health, and increased deterioration of buildings due to mold and rot. However, it does include the costs of illness due to cold conditions outside the home (e.g. waiting for buses). The UK has the highest incidence of fuel poverty in Europe due to its poor housing stock. Since many people live in sub-standard housing in Nova Scotia as well, the health costs stemming from fuel poverty could

potentially be in the millions of dollars for this province. These costs, however, could not be quantified since there is no systematic collection of data about fuel poverty and its impacts in Nova Scotia.

Reliability

The issues and costs associated with the reliability of energy in Nova Scotia is an extremely relevant topic given the significant weather events (e.g. Hurricane Juan, White Juan, November '04 ice storm) that have interrupted power in the province. When power outages and shortages occur, they not only disrupt the activities of individuals, homes and businesses, but they may impede people's ability to meet basic needs. Events related to outages include carbon monoxide poisoning caused by the operation of gas generators; house fires started by electrical devices coming back on after power is restored; and even car accidents caused by traffic lights that are not operating (Lipscombe, 2004; Nicoll, 2004).

A published survey by the Canadian Federation of Independent Businesses demonstrates the impacts and costs facing businesses operating in Nova Scotia. In a survey that included more than 500 small business owners, forty percent indicated that their business had been interrupted by more than three power outages in 2004 (Hache, 2005). The impacts caused by these outages included employees not being able to work, lost orders or customer traffic, lost production of goods or services, lost revenue due to lack of electronic payment capabilities, increased cost due to outages, and damaged, spoiled or lost inventory.

This is a clear demonstration of the complexities of the economic, social, and environmental costs associated with the reliability of energy. While the establishment of a full cost estimate is not currently possible, the issue of electricity reliability is one that requires consideration when conducting a full cost assessment of the energy sector in Nova Scotia.

Energy Security

Energy security and energy reliability are closely linked as a result of the current market structure. The reality of the global energy market means that anyone purchasing oil will likely have benefited from, or paid a lower price, due to the military efforts and expenditures related to the global effort to secure fossil fuels (Levin, 2003). The most prominent examples of energy security costs are the military expenditures of the United States. The largest expenditures are those related to the two major conflicts in the Middle East. The Gulf War in 1991 carried a net cost of $7 billion dollars (2000 US) (Lovins, 2003). The Iraq War that began in 2003 has been estimated to have an ongoing cost between $150 and 300 billion dollars (2003 US) (ICTA, 2005). Even the peacetime costs spent on the

military forces prepared for interventions in the Persian Gulf are approximately $60 billion dollars a year (2000 US).

Other areas of the world, particularly South America, are also becoming areas of military involvement as a result of energy resources. Columbia, Venezuela and Ecuador supply about 20 percent of US oil imports and Columbia is now the third largest recipient of U.S. military aid (behind Israel and Egypt). Many analysts believe that a portion of these expenditures is for securing energy pipelines, and not just efforts to control the narcotics trade (ICTA, 2005). These examples are all based on American military expenditures. The reality is that the security of energy is a global pursuit. One estimate suggests that approximately 25 percent of the entire world's military budget goes to securing oil (ICTA, 2005). While it would be extremely difficult to calculate the associated costs or benefits that could be linked to Nova Scotia, it would be misleading to exclude these costs outright. There are also costs beyond the direct financial expenditures that should be considered such as the considerable human, environmental, and social costs that are incurred while attempting to provide global energy security.

Resource Costs

There are intrinsic and external costs associated with the exploration, extraction and processing of energy resources that occur in Nova Scotia and in other locations that provide energy resources. The current global structure of the energy system ensures that countries, while geographically separate, are inextricably linked. For example, the importing of coal to Nova Scotia means that many of the environmental and human health effects due to our consumption of coal for electricity occurs elsewhere. For instance, human rights violations have been reported by workers and union leaders in the coal mining districts of Columbia, a major supplier to Nova Scotia (ARSN, 2005). Mining accidents and illness are common occurrences in the mining industry; frequently resulting in poor health for mine workers and even premature death. Placing a value on the cost of human life is an area of on-going research for which there is unlikely ever to be consensus, but again, not assigning any value to human life is equally problematic and under-represents the cost of our energy choices.

Resource Depletion

Separate, but related to the issue of consumption is the topic of resource depletion. Depletion can be defined as the "progressive reduction of the overall stock (or volume in the instance of oil and natural gas) of a resource over time as the resource is produced" (EIA, 2000: ix).

A study conducted by the New South Wales Environmental Protection Authority (1998) attempted to establish a cost estimate for coal that included the costs associated with resource depletion. The cost estimate also reflected the more common environmental costs associated with the mining and extraction of coal. This study considered the cost of rehabilitating land, as well as the use of extensive predictions regarding the future demand for coal as well as the technologies that might be in use in the coming years. The analysis resulted in the establishment of an estimate of $26 (1997 US) per tonne.

A study conducted by the Energy Information Administration (2000) identified some of the impacts and relationships that are apparent in scenarios involving accelerated resource depletion. For example, higher oil prices caused by resource depletion would result in higher natural gas prices and lead to increased exploration and production activities for gas resources (EIA, 2000). The analysis also shows that the accelerated depletion of oil and gas would likely result in a greater dependence on coal in the U.S. (EIA, 2000). Substantial discrepancies between energy production and demand will cause widespread economic hardship and fundamental restructuring of economies.

Energy Subsidies

Subsidies are another important, but often-ignored cost that is associated with energy. More often than not, energy subsidies are ongoing expenses that are paid for with public tax dollars. Energy subsidies can result in market distortions, and prevent the general public from paying the direct or full cost of energy.

Subsidies can provide benefits to some while negatively impacting others. In other cases, the subsidies can be considered perverse, because they have a negative impact on both the economy and the environment (Myers & Kent, 1998). Despite these complexities, energy subsidies are used extensively worldwide (Pershing and Mackenzie, 2004).

In Canada, the oil and gas industry is heavily subsidised. This was demonstrated in a study commissioned by the Climate Action Network conducted by The Pembina Institute which showed total subsidy expenditures between 1996 and 2002 exceeded $8.3 billion (2000 CDN) (Taylor et al., 2005).

The exact portion of this government subsidy that benefits the energy sector in Nova Scotia is not known. Despite the exclusion of these numbers, the Canadian oil and gas subsidy example shows that if these were considered in the full costs, the end result would be significantly altered.

Land Use Costs

The land use costs associated with the energy system is another important consideration that in some cases are already included in the price of energy in a competitive market structure. For example, most utility companies need to purchase land before building plants. Similarly, wind energy requires land to be purchased or leased. These costs get transferred through to the user. However, there are cases where property taxes or purchasing prices do not accurately reflect land use costs.

Possibly the most significant externality of energy land use is that life-sustaining services provided by undeveloped land are reduced or eliminated. For example, there is no market value for trees purifying the air and replenishing oxygen and wetlands that purify water and limit flooding. Methods for costing these types of non-market services might include the cost of purifying water in a plant or purifying air through a filtration system. One landmark study that relates to this type of cost estimate is the work conducted by Costanza et al. (1997).[12] There it was estimated that the value of ecosystem services in boreal and temperate forests is at least $460.97/ha/yr (2000 CDN) ($302/ha/yr - 1994 US).

It should be recognized that different energy sources have different degrees of impact on ecosystems. For example, an industrial power plant provides no ecosystem services whereas a high yield plantation for bio-energy would still provide ecosystem services though at a reduced level compared to a natural forest. At this point we can only state that the inclusion of land use costs would affect the results of a full cost accounting exercise, mostly likely increasing the costs of energy.

Land and Water Contamination

Contamination of land and water is another cost resulting from our energy system. Impacts include the discharge of high temperature water from thermal power plants, to the tailings that result from mining coal. Perhaps the most relevant issue to Nova Scotia relates to the contamination of land and water through oil spills. The rough estimates provided by the Department of Environment and Labour reported 470 oil spills in Nova Scotia for 2002, and 350 spills in 2003 (Baxter, 2004).

An analysis of Halifax newspapers over a six-year period (between 1999 and 2004) showed that there were 19 spills that resulted in the release of 8,882 litres of oil (Lipp et al., 2005). The total economic cost associated with these 19 spills was $865,000. This cost included fines, clean-up costs, compensation, and corporate donations related to the

[12] For further information on the valuation of the goods and services provided by the natural environment see Costanza et al. (1997) and de Groot, et al. (2002).

spills. It does not include or reflect the environmental or social damage that could be attributed to these events.

The 19 incidents represent only a fraction of the oil spills that occurred in the province of Nova Scotia in the last six years, and do not include smaller scale spills such as those from home oil tanks. The insurance industry notes that the costs associated with domestic oil spills are now the third most expensive insurance claim in Atlantic Canada, with only fire and water damage being higher (Harris, 2005). Between 1999 and 2002, New Brunswick, PEI, Newfoundland and Nova Scotia had 1,239 claims related to domestic oil spills that cost insurance companies $61.4 million dollars (Harris, 2005).

Aggregated Damage Cost Estimates for Nova Scotia's Energy Sector

The aggregated damage costs, including GHG emissions and air pollutants for the year 2000, are shown in Table 3. High and low estimates are also included as well as costs per capita based on a population of 933,881.[13]

Table 3. Aggregated Damage Cost Estimates for Nova Scotia's Energy Sector

	Low	High
Air Pollutant Damage Costs	$301,316,026	$2,092,708,405
GHG Damage Costs	$142,725,000	$1,896,950,000
Total	$444,041,026	$3,989,658,405
Per Capita	$475	$4,272

The energy sector alone accounts for $444 million to almost $4 billion in externalities each year for air and greenhouse gas emission impacts. At a minimum, these costs equal over $475 for every woman, man, and child in the province. It should be reiterated that these costs are not incurred only in Nova Scotia but are experienced regionally in the case of air pollution, and globally in the case of GHGs.

The totals presented in do not include a wide range of costs including reliability, security, subsidies, land use, and contamination (or transportation energy use). If included, the full cost of energy would increase significantly. Likewise it must be remembered that these 'estimates' are exactly that, estimates. They do not include a variety of social, environmental, and economic costs. Methodologies continue to improve. New knowledge as to effects and costs will be realized.

[13] From Statistics Canada CANSIM Table 051-0001

Therefore, these estimates highlight the extent of the damage, and not the precise dollar amount.

Summary

The practice of full cost accounting can be both contentious, and incomplete. Selecting the most applicable cost estimate to represent values in another location can be difficult, and the availability of the data is often limited. This is exemplified by the fact that the costs associated with air pollutants and greenhouse gases were the only two areas that were fully valuated. The majority of the costs were only discussed in general, using examples to highlight the costs where possible.

The assessment of air pollutants and greenhouse gas emissions resulted in a low estimate for the aggregate damage costs associated with Nova Scotia's energy sector in 2000 of over $444 million, while the high estimate was almost $4 billion. These aggregate cost estimates represent only a small fraction of the true costs of energy. As noted, these estimates do not include a wide range of costs that were discussed above. The inclusion of these costs would significantly increase the overall estimate of the total costs of energy in the province.

Despite the above listed exclusions, limitations and difficulties, the very act of considering the full costs of energy is extremely important. This exercise of outlining and recognising the true costs associated with energy use can help inform and improve policy making within the province. The awareness that investments in specific energy industries and technologies might result in increased environmental and health costs should help to guide decision-making. This information allows for a more informed and sustainable approach to addressing assessments in the energy sector. Furthermore, this will help to expand the general knowledge and recognition that our energy system here in Nova Scotia has costs and impacts that extend well beyond our borders.

The endeavour of attempting to estimate the costs of goods and services allows the consideration of costs that are outside of our traditional accounting system, and therefore not reflected in decision-making. The information presented here can be used by Nova Scotia (and others) to actively pursue a more sustainable energy sector.

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The Myth Behind Alcohol Happiness

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Abstract

By drawing on the socio-cultural, religious, and traditional practices that encourage the use of alcohol in Bhutan, the author will examine the causes and factors that induce and maintain drinking habits among Bhutanese. Next, the impact of heavy drinking on Gross National Happiness will be examined. As an outcome of this study, some relevant strategies to minimize harm related to alcohol in Bhutan will be presented.

Introduction

In the pursuit of happiness, human beings will do anything. Some opt for the long haul, while others prefer a shortcut. A common shortcut is alcohol, known to produce happiness or euphoria, even if momentarily. For this reason, millions of people worldwide drink it repeatedly everyday. Scientific research has proved that alcohol releases dopamine in the brain, which is responsible for the pleasure sensation.

Humankind has used alcohol in one form or another as early as the Stone Age. History is beset with anecdotes of heavy drinking: from Europe to Asia, the Americas to Africa, alcohol has played a significant role in shaping history, politics, and religion. Indeed, it has been held responsible for the fall of empires, loss in battle and change of faith. Nonetheless, attempts to curb its production and use have been fiercely resisted resulting in its resurgence again and again.

Alcohol Use in Bhutan

Bhutan, a Vajrayana Buddhist kingdom nestled in the rugged Himalayas has numerous longstanding alcohol traditions. Alcohol use in the country dates back to the pre-Buddhist Bon religion, which used alcohol to appease deities. Likewise, Vajrayana Buddhism has adopted some of these practices.

Alcohol and Buddhism

In a popular Buddhist saying, during the era of the Buddha a monk was visited by a woman who wanted to seduce him. The woman threatened to commit suicide if the monk did not do at least one of three things she demanded: to sleep with her; to kill a goat for a party; or to drink the

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alcohol that she had brought for him. The monk thought very deeply and considered the options. He thought that losing his celibacy or killing an animal was a cardinal sin taught by the Buddha. On the other hand, not taking an action would result in the woman committing suicide. So, he decided to drink the alcohol because at that time Buddha has not taught anything specific about alcohol. But when he got drunk, he killed the goat and also slept with the woman. This incident prompted the Buddha to prohibit drinking among his disciples, saying that alcohol interferes with rational thinking and is the root cause of all evil.

At the same time, references also have been made in many Buddhist scriptures about the use of alcohol during Buddhist religious rituals as an offering to deities as one of the five precious elements (*duetsi*). It was argued that alcohol per se is actually a precious element that is nurturing and healing -and only its abuse caused problems, with the abuser to be blamed and not the alcohol. However, according to one teaching, alcohol is a medicine if you use it judiciously; otherwise, it is a poison. It is said that enlightened monks and saints drank small amounts of alcohol to nourish their health and vitality, whereas ordinary people drank to their doom. According to the *Dho*, relating to the strict code of Buddhist practices of the *Sangha*, monks are forbidden to take any alcohol other then the *duetsi* (the amount should be less than a rain-dewdrop), while in the *Ngha,* relating to practices of accomplished tantric yogis and enlightened monks, alcohol is considered like any other food or nourishment.

Buddhist literature makes many other references to alcohol as well. In an interesting debate on the merits and demerits of alcohol, it has been hailed as a drink of gods, kings and courtiers, warriors and performers, rich and ordinary people. Described as a tranquilizer, relaxant, and energizer, it also has been held responsible for confusing the senses, leading to negative deeds, unacceptable behaviour, and health problems. The debate ends with a word of caution to use alcohol judiciously.

Specifically in Bhutan, historical texts refer to offering alcohol as *duetsi* during religious ceremonies as early as the seventh century, during the time of Guru Padmasambhava, and in the seventeenth century, during the era of Zhabdrung Ngawang Namgyal. This tradition is followed even today. Alcohol offering is essentially made in two forms; one is rather more subtle, as *duetsi* during ritualistic religious rites while the other is more socialized, as *Marching,* during ceremonies to evoke deities' blessings when embarking on any new ventures. *Duetsi* is the sweetened *Ara* (home-distilled spirit) offered in a human skull cup; at the ceremony end, the *duetsi,* which is believed to have acquired divine blessings, is distributed to worshippers. *Marchang* ceremonies meanwhile

are more commonplace, brief, less complex and usually performed by lay people. Freshly brewed wine from grains is offered symbolically to deities and important people such as members of the Royal Family during the *Marchang* ceremony held before important social functions.

Lastly, Drukpa Kuenley, also known as the "Divine Madman", habitually used wine and women as part of his unconventional method to teach Buddhism to the people. His style of combining humour, sex and drinking in his teachings appealed to ordinary people, who could easily identify with him. His teachings thus made a tremendous impact on the Bhutanese psyche. Even today, Drukpa Kuenley is a household name in many Bhutanese homes.

Alcohol and social traditions

In Bhutan, as we have seen, alcohol is not just a drink to elevate your mood or relax your body; rather it is an important food item and a social drink. No social stigma is attached to drinking in Bhutan; it is a part of everyday life in rural communities. The usual barriers and deterrents to using alcohol inherent in other societies are not as apparent in Bhutan. Little wonder that alcohol has become an essential ingredient in all aspects of Bhutanese culture.

A Bhutanese is introduced to alcohol soon after his or her birth. Starting with the celebration of a newborn, a special homemade rice-based fermented drink called *chhangkhoy* is served to entertain well-wishers and to nourish and sedate the mother. Childbirth was a time of tremendous emotional and physical stress for Bhutanese women, many of whom likened it to facing death because of high maternal and infant mortality. The calming and relaxing effect of alcohol proved to be a blessing in the immediate aftermath of the birthing ordeal. The child of course received alcohol in breast milk from mother.

Until very recently also, it was not a taboo for Bhutanese children to drink at an early age, although a law has now been enacted to restrict alcohol use by children. Even so, it is not alcohol per se that is restricted but stronger alcohol, which children cannot physically tolerate. Many children in rural Bhutan still drink the fermented rice-based *chhangkhoy* or diluted wheat or maize wine as a beverage with meals.

During social gatherings and celebrations, alcohol increases the sociability and enjoyment of many people. For different occasions alcohol is called different names: as *tshogchang, zomchang* and *febchang,* it is served to welcome guests; as *lamchang,* it sees off guests; as *tochang,* it is drunk with meals; as *jhachang, tashichang* and *tendechang,* it helps celebrate events such as marriages, promotions and acquiring new

properties; as *menchang* and *tasachang,* it is taken to sick people; as *zimchang,* it induces sleep. The list goes on and on.

Bhutanese archery is probably the only sport in the world today where drinking is allowed during the game. Alcohol is traditionally served during archery competitions in Bhutan. It is believed to enhance the confidence of the archer by releasing inhibitions thereby contributing to the enjoyment of the game.

Finally, alcohol finds a significant place during mourning among many communities in Bhutan. Families, friends, and well-wishers bring alcohol to pay condolence to bereaved families after a death and together they share the grieving as well as the effects of alcohol.

Factors responsible for the increased use of alcohol in Bhutan

Before modern development started in Bhutan in the early 1960s, production and use of alcohol was confined to domestic use. This was limited by the availability of food grains to brew alcohol and the demands of society. The absence of mass production and trading in alcohol thus meant that only a limited quantity was available for consumption. Common homemade wine varieties - used traditionally as food beverages: *bangchang, sinchang* and *tongba* - have alcohol content of less than five percent. *Ara*, the distilled alcohol has higher alcohol content but was used only for special purposes.

With development, however, came many changes in Bhutan including changes in alcohol consumption patterns. The production (domestic and industrial), consumption and importing of alcohol in the country has increased significantly in recent years. While it is difficult to know the exact amount produced, indications are that production exceeds local consumption. Improvement in agriculture along with import of grains from outside has increased availability of food grains for brewing alcohol. Not only are many varieties of alcohol available now, but the alcohol content of these drinks also has increased.

In addition, easy availability of alcohol has been facilitated by improved transport, liberalizing of trade licenses, increased purchasing power, and a growing taste of the population for alcohol. Today alcohol is a fast growing business and a livelihood for many Bhutanese. The alcohol business does not require heavy capital or time investment. The profit margin is good, the return quick. Currently, more than 3000 licensed bars exist in the country (which has an official population of 700,000), with a turnover of more than seven million bottles annually. Indeed, alcohol is perhaps the best-stocked and most ubiquitous commodity in Bhutan.

Growing affluence due to development not only promotes the use of alcohol but also provides opportunities to pursue pastimes where alcohol is a regular feature. Bars, poolrooms, and restaurants that sell alcohol are mushrooming in urban areas and becoming popular nightspots to chill out after a hard day's work.

Use of household appliances for cooking and washing has relieved many time consuming chores at home. Mechanization of farming, together with today's limited-hours work culture means that more time is available for drinking and partying. Growing competitiveness, advertisements, and changing life styles, which are part of development, all contribute to alcohol lure. Even prolonged cold weather and lack of alternative recreational facilities represent other significant risk factors. Extra cash income for the people also means that more opportunities are now available to celebrate marriages, promotions - and to drink. Along with men, many more Bhutanese women are drinking "soft" drinks such as beer and wine.

For youth, the declining traditional values and support systems especially in urban areas, coupled with a rebellious or risk-taking attitude, the influence of the media and peer pressure also encourage them to take up alcohol much earlier than their predecessors. The increased frequency of travel and faster pace of life also may induce young people to drink. Lastly, alcohol is becoming a "fall back drug" for many youth who are into substance abuse in Bhutan, because of its easy availability, cheaper price and lesser stigma.

Why do certain people drink heavily?

While heavy drinking in a country has its roots in social, cultural, religious and traditional practices, individual predisposition to heavy drinking depends upon biological and psychological factors. Why does alcohol make certain individuals feel good at least at first? Why are certain individuals so easily enticed into alcohol, while others are not? Before we go into individual differences, it is important to understand the concept of dependence and the processes leading to it. Scientists have discovered that what ties all mood-altering drugs together is a remarkable ability to elevate levels of a common substance in the brain called dopamine. Dopamine is a neurotransmitter, which stimulates the pleasure and reward centres in the brain, giving a feeling of momentary pleasure or euphoria. This effect reinforces the craving to use the drug continuously. Alcohol also has relaxing effects on the mind and body as well causing sedation and removing inhibitions. These effects are used to self-medicate or enhance social performance. When alcohol is used for a long time, the body adjusts itself and becomes accustomed to the excess

levels of dopamine. It is as if the body has raised the threshold for pleasure, and it takes more and more stimulation to get the same level of pleasure. Over time, an individual needs to take increasing amounts of alcohol to get the same effects; in other words, his alcohol threshold increases. This phenomenon is called "tolerance". Therefore, an individual who boasts that he can take huge amounts of alcohol at a time without being drunk is not any stronger but developing tolerance.

If an individual's level of alcohol drops below the threshold, he will experience unpleasant withdrawal symptoms, such as craving, nausea, vomiting, shaking of limbs, restlessness, sweating and even hallucinations, disorientation, and seizures. At this stage, he has become dependent on alcohol and cannot live without it. Alcohol will become the main pursuit in his life. Nothing else is as important to him - not his family, not his job, not even his own health.

However, scientists also have discovered that the pleasurable effects of alcohol are experienced only by certain vulnerable personalities, not by everyone. Heavy drinking is also known to run in families. Research has proved that children of heavy drinkers are four times more at risk of becoming heavy drinkers later in life when compared to children of non-drinkers. Psychoanalytic theories suggest that heavy drinkers have unfulfilled childhood wishes or needs. Other psychological theories suggest that heavy drinking is reinforced by the tension-reducing effect of alcohol. Learning theories suggest heavy drinking as a learned behaviour. An initial successful experience of use may encourage an individual to use alcohol repeatedly until he develops a habit. This leads to development of increasing tolerance and dependence of the individual on alcohol. Heavy drinkers tend to have a low tolerance of discomfort and misfortune and see drinking as a way of masking feelings that they cannot bear, in comparison to less heavy drinkers, who can tolerate negative feelings without resort to excessive use of alcohol. As heavy drinkers progress in their drinking life, the number of events and situations that they perceive as unbearable increases, such as deterioration of their health, their sense of well-being and social life. Consequently, the occasions heavy drinkers use to justify drinking increases, and so does their consumption. Another common occurrence is the high prevalence of clinical depression amongst heavy drinkers. Alcohol is a depressant drug, one mistakenly used by many people to help them sleep, but which in fact disturbs sleep; over time, such people will acquire considerable sleep problems. Alcohol, which supposedly takes the edge off anxiety, tends to exacerbate depression, so the resultant effect is that one goes from feeling tense and frightened to feeling depressed, desolate and worthless.

The psychologist, Abraham Maslow, describes a security need that is believed to exist in every person, the inherent desire to be loved, to be part of a family, the need for friends and company, and sense of belonging to a clan or culture. A sub-culture that condones the use of alcohol encourages its use. Such an environment encourages, reinforces, maintains and increases the use of alcohol. Examples of this can be seen amongst teenagers who feel that it may be the "in thing" to drink alcohol in order to be accepted. Advertisements on media channels and by role models contribute to similar attitudes.

Impact of Alcohol on Gross National Happiness

In all parts of the world, industrialization and development have brought an upsurge of heavy drinking and its consequent problems. While it is difficult to measure the subjective level of happiness caused by alcohol for any individual drinker, problems caused by alcohol are obvious. Although drinking is socially accepted by many, heavy drinking is traditionally despised in Bhutan. Particularly in recent years, heavy drinking is recognized as a major cause of social, financial and health problems in the country. Common remarks like "alcohol makes the drinker happy for the moment, but unhappy in the long term" or "alcohol makes the drinker happy, but makes other people unhappy" suggest that alcohol happiness is a myth. The truth is, alcohol-related problems have been increasing in Bhutan today and are a threat to our Gross National Happiness.

Effect on economy

Economists have calculated direct and indirect costs of drinking in Western countries, but it is difficult to determine a clear economic impact of alcohol use in the Bhutanese context because of the lack of reliable information and a database. Moreover, factors such as economic loss due to reduced efficiency and productivity, job loss, and other social and relationship problems are really impossible to estimate. However, given the widespread use of alcohol in the country, the economic cost is clearly enormous. Two studies by the Ministries of Agriculture, Trade and Industry in rural villages point out that as much as 50 percent of the grain harvests of households are used to brew alcohol each year. These findings have prompted local governments and the National Assembly to issue resolutions to ban the sale and consumption of homemade alcohol in public places.

It is presumed that homemade alcohol production represents more than industrial production since 80 percent of the population who live in rural villages consume mainly this type of alcohol. Not only it is cheaper

(no tax or excise is payable) and readily available, it is more popular among drinkers. Some argue that while regular drinkers spend from half to three-quarters of their earnings on alcohol, heavy drinkers spend all their income or even borrow money to do so.

In a drive to increase domestic revenue, however, the Royal Government liberalized the sale and cost of bar licenses in 1999. Now there is one bar for every 250 Bhutanese and 10 bottles of alcohol per year for every man, woman and child in Bhutan. This is an alarming news to Bhutanese, whose national goal is to achieve Gross National Happiness. Assuming these figures are correct, Bhutan has perhaps one of the highest per-capita alcohol consumption rates in the developing world.

While revenue from alcohol sales has reached an unprecedented high -close to US dollars 2.5 million annually – and accounts for one of the top 10 revenue-generating industries, increased alcohol revenues do not cover the enormous cost of alcohol-related problems in the country including loss of productivity, premature deaths, increased treatment costs and other social problems.

Social impact of alcohol

At the same time, the adverse social impact of alcohol although easy to see, is likewise difficult to measure. Unemployment, poverty, relationship problems, divorce and parental separation, neglect and abuse of children, drunken brawls and domestic violence, crime, accidents and deaths are commonly associated with heavy drinking. Alcohol is also held responsible for high-risk behaviours such as unsafe sex, sexual promiscuity, and use of other psychoactive substances. Men experience more alcohol-related problems than women, but women are often direct victims of the consequences of men's drinking. For example, women who live with heavy drinkers are more at risk of serious violence, when compared to women who live without heavy drinkers. Drinking by women of childbearing age may also increase the risk of unwanted pregnancies and other social complications. Children are invariably affected directly or indirectly.

Alcohol-related health problems

Data from hospitals and health centres, as well as from community surveys, indicate that alcohol is a leading cause of mortality and morbidity in middle-aged Bhutanese men and women. According to these health statistics, alcohol is one of the five leading causes of deaths (all age groups) in Bhutan and responsible for as many as 30 percent of deaths in the adult hospital wards. It is the number one killer of adult men in Bhutan today.

Prevalence studies in the country show that as much as 50 percent of the population drinks alcohol (mainly homemade), and nearly 20 percent drink regularly, with an average consumption of five bottles per week. Up to 40 percent of schoolchildren even admitted to drinking alcohol at least once. Police sources further indicate that drunk driving is the top cause of motor vehicle accidents in the country.

Many people mistakenly believe that homemade alcohol is less harmful to health than the industrial variety. Actually, scientists have found that homemade and cheaper variety alcohol is more damaging to liver because of its higher aldehyde content. Heavy drinkers all over the world drink mainly cheap alcohol because of their poor economic situations. Alcohol can damage nearly every organ and system in the body; its psychoactive action can alter the functioning and structure of the brain. Its use contributes to more than 60 diseases, including cirrhosis of the liver, heart disease, and cancer.

Research has shown that low or moderate consumption of alcohol is beneficial to people who are 40 years and older because of its protective effects for coronary or ischaemic heart disease. However, the patterns of drinking, often with heavy episodic consumption among many consumers are likely to increase rather than decrease the occurrence of coronary heart disease. Drinking to intoxication is a significant cause of alcohol-related injuries and accidents.

The World Health Organization (WHO) has pointed out that alcohol is one of the most important risks to health in the world today, responsible for almost two million deaths (3.2 percent of total deaths) and accounting for four percent of the global disease burden in 2002. Alcohol is the leading cause of disability among men in developed countries and the fourth leading cause of disability in developing countries. Therefore, not only many precious lives are lost in their prime to alcohol, but also the direct and indirect costs of treatment of alcohol-related health problems are staggering.

Ways to reduce alcohol burden on Gross National Happiness

Thus, it may be appropriate to discuss some intervention strategies to reduce the alcohol-related burden relevant to Bhutan. Evidence from other countries indicates that implementation of appropriate strategies and measures can significantly lessen the frequency of alcohol-related problems at the local and national levels.

Because, the mean alcohol consumption of a population and the prevalence of heavy drinkers are closely related, any reduction in overall drinking will reduce the number of heavy drinkers. Although heavy drinkers will have many more alcohol-related problems individually,

cumulative problems related to moderate and light drinkers tends to be much more because of their higher prevalence. Focusing preventive measures only on high-risk groups will thus have less impact on overall harm. A population-based approach aimed at all drinkers, with the goal of reducing per-capita consumption, is likely to be most effective. The principle strategies to be used here are demand and supply reduction.

Reduction of alcohol demand

Measures that limit demand by influencing culture and religious traditions are rarely feasible, but it is important to note that attitudes toward alcohol in a culture do change gradually over time. Measures that influence the price of alcohol in relation to disposable income have more immediate impact than any others do on per-capita consumption. Many studies have shown that when relative cost rises, consumption declines. Evidence concerning the impact of advertising on alcohol consumption meanwhile, is contradictory. Critics point to very high consumption in some countries where no advertising exists, although advertising does influence increased use among young people. Education about the hazards of alcohol and promoting sensible drinking habits likewise has debatable effects. The promotion of alternatives to alcohol, such as non-alcoholic beverages, recreational activities and healthier lifestyles are other options, but need to be ensured by providing adequate means. Mass media campaigns have been shown to reach target audiences and, in some cases, increase knowledge, but the overall effect on attitudes and behaviours has been minimal. Nevertheless, without education aimed at increasing public knowledge, it will prove difficult to ensure an informed debate about alcohol policies.

Prevention can be effective when focused on particular risk behaviour. Experience from numerous countries has shown that when education and counselling are combined to reduce the risk of foetal alcohol syndrome among pregnant women, alcohol consumption during pregnancy has declined. Increasing the likelihood of detection by random breath testing, with visible road checks has been shown to reduce drunk driving and motor accidents. Forbidding consumption of alcohol in workplaces has improved workers' performance and banning drinking in public places has reduced violence and crime. Therefore, it is necessary to combine a number of approaches in developing a coherent alcohol policy at the national level.

Reduction of alcohol supply

Most countries reduce the availability of alcohol by restricting licensing and hours of operation, while others try to reduce accessibility by

increasing prices. Countries that restrict availability of alcohol tend to have lower-per capita consumption than those with more liberal policies. However, it can be argued that restrictive hours create pressure toward rapid consumption, releasing intoxicated individuals onto the streets. It also seems likely that restricted availability of alcohol, coupled with high costs promotes home production and bootlegging. Nevertheless, such restrictions have seen a decline in the incidence of accidents, liver cirrhosis, and other problems.

Prospects for intervention

It is encouraging to note that awareness is growing among Bhutanese about alcohol-related problems in the country. We are also beginning to accept that alcohol is a bigger threat to our Gross National Happiness than drug abuse or HIV/AIDS. Certain sections of society already are lobbying against alcohol production and use, and the Royal Government has taken some positive steps in this direction; one example was seen in turning down a malt brewing project proposed by a donor agency in 2000. However, it is important to acknowledge that prevention approaches do not exist in isolation: They must work as part of a coherent alcohol policy, or they can be at odds. In Bhutan, more than 10 Government Departments are concerned with different aspects of alcohol policy, including Trade and Industry, Finance and Revenue, legislation and law enforcement, Health and Education, Agriculture and Home Ministry. To be effective, a coherent response to alcohol problems should be well coordinated and should recognize the benefits, as well as the problems, associated with alcohol.

In a recent analysis of 31 policy options under the auspices of WHO, an international group of experts on alcohol rated the following as best practices.

- Minimum legal age to buy alcohol
- Government monopoly on retail sales
- Restrictions on hours or days of sale
- Restrictions on densities of sales outlets
- Taxes on alcohol
- Sobriety checks
- Lowered limits of allowable blood alcohol concentration
- Administrative suspension of licenses for driving under the influence of alcohol
- Graduated licensing for novice drivers
- Brief interventions for hazardous drinkers

Bhutan has already adopted some of the above measures including setting the minimum legal age to buy alcohol at 18 years; restricting hours of sale only after 1; observing Tuesdays as dry days; banning of sale of home-brewed alcohol; and periodically raising alcohol taxes. Other measures, however, need to be in place, such as regulating the sale of alcohol to those already intoxicated; rationing sales to heavy drinkers; and use of breathalysers for monitoring drunk driving. Needless to say that before any new measures are adopted, existing ones need to be strengthened and reinforced.

It is common knowledge that despite the existence of these regulations, bar owners continue to sell alcohol to minors, on dry days and before 1, while unlicensed vendors sell homemade alcohol clandestinely. Thimphu alone has more than 700 licensed bars, a concentration equal to one bar for every 100 people, in contrast to only two public libraries in the city; it is thus not difficult to imagine why bar owners will do anything to survive in the business. In certain parts of the country, farmers have also confessed to selling homemade alcohol as their only source of cash income, while others have reasoned that homemade alcohol business is more lucrative than selling their extra grains in the market. Sporadic checks and penalties do not seem to work and yet there has not been a consistent, concerted approach to address these problems. What is required is a detailed study on the factors responsible for these failures and effective new strategies to tackle the problems. Mobilization of mass education campaigns and a public debate against harmful drinking, supported by a comprehensive programme to regulate alcohol production, sale, consumption, treatment, and rehabilitation of heavy drinkers, may be the first steps to address these growing challenges.

The health care sector has an especially important role to play in mitigating alcohol-related harm. Effective treatment interventions exist that can improve the health and functioning of affected individuals and their families. However, interventions need not be complex or expensive. Early identification of hazardous or harmful patterns of alcohol consumption and their treatment is essential. Community-based treatment approaches backed by specialized services and teams, and integrated into primary health care, are most cost-effective.

Increasing alcohol use among Bhutanese youth, who constitute nearly 50 percent of the population, represents a special concern. Particular attention needs to be given to prevent alcohol consumption and related harm among young people, through effective health promotion strategies implemented in settings most relevant to their lives including school, family, peers, community, and the media. Experiences

from other countries suggest that while simply spreading information and education is not effective, strategies must include persuasion on changing attitudes and behaviours toward alcohol use.

Conclusion

Finally, it may be appropriate to draw inspiration from the recent tobacco ban in Bhutan, introduced in December 2004. It is encouraging to note that, since Bhutan became the first country in the world to ban the sale of tobacco products, the prospects for reduction of alcohol-related harm through restricted production, sale and consumption are becoming increasingly real. Knowing that the adverse effects of alcohol far outweigh those of tobacco both in the short and long term, and in knowing that the Government and people of Bhutan already have taken bold decisions to curb the tobacco problem, then surely we can - and should - do much more about alcohol. Bhutan should continue to draw inspiration and a lesson from the global success on the WHO's Framework Convention on Tobacco Control, and plays an active role in its global campaign against alcohol as well. Now is the time to act.

An alcohol-permissive society such as Bhutan's, with traditions of alcohol use embedded deep in the history and culture of the people and coupled with easy availability of alcohol, will impose an even bigger challenge than tobacco control. A concerted decisive effort by all Bhutanese in a campaign against alcohol will set another milestone in achieving our development goal of Gross National Happiness. In so doing, we will not only be a step closer to our own target; we will also be contributing to global well-being and happiness.

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The Bhutanese Media: In the Service of the Public

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Introduction

Judging by Bhutan's experience in recent years, history is the documentation of dramatic events. Today we are going through a quiet revolution and witnessing technological advancement, the emergence of a middle class, a democratic wave, and thus an evolution of traditions, systems, and ideologies. All this is leading to the transformation of the social, economic, and political systems.

At this crucial juncture of history we look at the Bhutanese media which must draw on its own short history to provide a long-term vision for the future. As society prepares for unprecedented change, what is the role of the media in nurturing future generations? Even as it mirrors Bhutan's journey through time, how does the Bhutanese media define its agenda and find its own personality?

This paper attempts to establish a coherent role for the Bhutanese media as Bhutan seeks to create an enlightened society through the pursuit of Gross National Happiness. Today, as tradition gives way to modernity through social, economic, and political change the media is challenged to overcome social sensitivities and its own inhibitions to live up to the new responsibilities that come as a mandate and not as a choice.

With the debate on the Constitution of Bhutan begun, the paper will discuss the implications of the freedom of media, freedom of speech, and the right to information that will be guaranteed. It will try to portray these vast concepts in Bhutan's context and look at the new freedoms – with their intricacies and contradictions – to find the lines of balance.

The paper highlights two critical issues as the basis for the discussions and as foundations for the role of the Bhutanese media.

The first is that the media must provide – in fact it must become – the public space for Bhutanese society. It must be the forum for debate and discussions as society beats a path of change based on rational discourse. Public space is seen here as one of the building blocks of democracy.

The second is that, given the powerful forces of state control and commercial drive that is shaping the global media, the Bhutanese media

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must not lose focus of its priority in providing – and in being - a public service. This paper provides a strong justification to instil the concept of public service in the Bhutanese media against the tide of media commercialism that has overwhelmed the global media.

The definition of the media itself is broad and it is changing. We will look briefly at the entire spectrum of the Bhutanese media but, in discussing the role of the media, the thrust will be on the traditional media, and journalism, as a strong influence on a changing society.

The Bhutanese Media

Bhutanese society has not yet shed its oral culture and Bhutanese journalists maintain that their biggest competitor is gossip and rumour. A current concern is that society might jump from an oral tradition to the visual media and not develop a literary tradition. In this section we provide a brief profile of the Bhutanese media and an analysis of its origins and impact over the past one-and-a-half decades as the society tries to grow out of its oral tradition.

The Bhutanese media has seen significant growth since the mid-1980s, with the establishment of BBS and the newspaper, *Kuensel*, and the small information revolution that took place in the late 1990s with the introduction of television and the Internet. While still in their infancy the print media, digital film, radio and television channels, the Internet, and music are assuming clear forms with distinct patterns of growth.

A Media Impact Study (MIS), 2003, initiated by the Ministry of Information and Communication summarises the landmarks in the development of the Bhutanese media:

- Increasing literacy. As society became more educated, the information sector became apriority and thus the demand for professional media.
- Media was made independent of the government in 1992 by royal decree. This autonomy was a boost for media development.
- Technological advances raised the capability of media. This enhanced its sustainability.
- The growth in the economy is driving media growth. While this is currently limited, it will be a strong force in the future.
- Legislation and policy seeks to provide information as a right.
- Globalization has a direct impact on media development in Bhutan.
- Political reform and the Constitution will have a direct impact on the establishment of independent Bhutanese media.

Impact of Bhutanese media on society

The media is now a way of life for most Bhutanese although access to media and the interests vary between the rural and urban population, the rich and poor, the old and young. The MIS concluded that television, particularly international channels, had the strongest impact on urban society, especially on the youth population. Radio has been the main influence on the rural population and the print media reached the literate and policy makers.

Radio (good reach)

Radio is the most prolific media in Bhutan, reaching a majority of the people in all 20 districts. An estimated 77 percent of the population listens to the Bhutan Broadcasting Service (MIS) and development sectors like health, education, and agriculture recognise the strength of the radio in reaching people with vital information. For remote communities BBS is the only source of information and this medium is yet to be fully exploited.

Print (expanding boundaries)

Bhutan's print media consists of one newspaper, *Kuensel*, and some local publications, mainly educational and Buddhist texts. *Kuensel*, which currently sells 15,000 copies on Saturday and 12,000 copies on Wednesday, has an estimated readership of 130,000. With an online edition *Kuensel* is known to be progressively expanding the boundaries of discourse and has become increasingly independent in its views and in reflecting readers' opinions over the years.

Music (commercially driven)

Bhutan has a thriving music "industry" and there are more than 40 licensed audio-visual production companies. More than 75 percent of the surveyed population in the MIS owned Bhutanese music tapes. New contemporary music, called *rigsar*, was the most popular. In a free market situation many new talents had been showcased in the music industry. A common criticism of local rigsar music was that it was largely copies of Indian music.

Film (small Bollywood)

Digital technology provided the impetus for the growth of a fledgling amateur film industry. It has enabled amateurs to produce low-cost digital video films that have developed a captive audience. The production of films is a totally commercial venture and there are on average about 12 local films produced a year, screened mostly in the

larger towns with bigger audiences. Bollywood has a strong influence on Bhutanese films which are geared mainly towards mass entertainment.

Internet (new frontiers)

The Internet has, to an extent, broken down a hierarchical society and is promoting transparency in governance. Government organisations and businesses have started websites and Bhutan's draft Constitution was launched on the Internet. Digital forums, especially kuenselonline.com, is now regarded as a space for discussion and the public sphere has grown with the Internet.

Television (changing lifestyle)

The impact that has drawn the greatest interest is the impact of television and the response of post 1999 Bhutanese society. This sub section focuses largely on the impact of international television channels in Bhutan.

The debate goes on, sometimes exaggerated, sometimes subdued. While the full impact of international television on Bhutanese society is yet to be analysed, there is a growing concern in Bhutan over the perceived dilution of culture and the instillation of "undesirable" values in the younger generation.

The Media Impact Study provides some insight into the early impact of TV on Bhutanese society. Some respondents were positive about the impact:

- It had opened up the world to Bhutan
- Given people a better understanding of the global market and choices
- Introduced new ideas (such as fashion, food, politics)
- Greatly improved the standard of sports, especially football
- People believe that TV has made children smarter and given them more confidence.

Negative impacts were also highlighted

- Affected school and home work
- Children and youth were reading less and spending less time on outdoor activities
- Affected lifestyle (housework and eating and sleeping habits as families adjusted their daily lives around television programmes)
- Society was identifying new roles models like sports and film stars
- Consumer habits were visibly on the increase
- Traditions and culture (language, dress) was being diluted

The lack of study, analysis, and planning before the introduction of television is becoming more visible. In early 2005, the Bhutan Communication Authority decided to reduce the number of cable channels from 45 to 30 to help ensure quality programmes by filtering out undesirable or irrelevant channels. This move resulted in bitter protests from viewers.

Television is widening the gap between the urban population, which has access to information and entertainment, and the rural population which has no access to media. People in remote communities said that they did not feel they were a part of Bhutan (MIS) because they were not included in the media. Observers warned that the time spent in front of the TV had also taken away the individual's ability to participate in civic action.

Meanwhile Bhutan is limited by resources and trained professionals in the production of local content for television and other media to counter the uneven flow of the global media into the country. The billion dollar advertising industry is already targeting unsuspecting viewers and raising the concerns that the impact of television is reaching the core values in Bhutanese society.

Billboards advertising Pepsi have penetrated deep into the villages where drinking water is in short supply.

Bhutan is seeing, in the wake of the information revolution, a famine turned to glut, a significant impact on the eye, mind, and then on the psyche, "the impact behind the layer of harmless entertainment".[1]

Media and Change

Gross National Happiness, the inspiration for change in Bhutan, requires that the kingdom draws on the global experience to adopt what is good and relevant. It also emphasises a pragmatism through which Bhutan does not succumb to global pressures but chooses technology and skills that strengthen, rather than dilute, the Bhutanese identity. This section will look at Bhutan's approach to information and media development and the potential impact on society, on governance, and on the process of democratisation.

In the knowledge century - the information age - Bhutan aims to establish a knowledge society and guarantees access to information as a right of every citizen. This is enshrined as a mandate in the draft Constitution – along with the freedom of expression and freedom of the media -and is established as government policy spearheaded by the Ministry of Information.

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[1] Macdonald, Ross.

Bhutan sees that creating a knowledge society is not an impossible dream for a small and landlocked developing country and the evolution of an information society will develop its own momentum. But this is a complex and expensive task as noted in the UN Public Sector Report 2002:

> "It is important to note that bridging the 'digital divide' is not simply an issue of building an information infrastructure nor of buying and handing out computers and modems to everyone in a society. Providing information alone will not work. It has to be done alongside person-to-person communications. The mass media, on its own, may reach people with key messages but the personal outreach is necessary to effect behaviour change.[2]

The media must play a vital role in educating, not just the young, but the entire population. It is only through the media that we can reach the decisions-makers who sometimes have no media savvy, implementers like the bureaucracy who may not have the skills, and the public to whom it may all be a new phenomenon.

But the media community is already gaining visibility and will be an important element of the emerging civil society as we see change in the work place, the home, and the market. Change is already coming from within and the IT and media culture is but a matter of time. Media is culture and will add depth to the current interpretation of Bhutanese culture which was viewed largely from a religious perspective in the past.

Governance

Transparency, accountability, and efficiency are the three pillars of good governance identified by the Bhutanese government which has been given the mandate to provide the political commitment, infrastructure, and education to achieve this. The Bhutanese media plays an important role in helping to make information accessible and understandable to the public and to facilitate popular participation in the processes of government.

For centuries, the notion that citizens might actively participate in all public affairs and make substantive inputs in policy decisions remained a distant prospect. Not any more. And it is the media that must foster

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[2] Thornhill, Christopher (2000). "South Africa and Globalization", paper prepared for the International Institute of Administrative Sciences, First Regional International Conference, Bologna, Italy quoted in the UN World Public Sector Report: Globalisation and the State Democracy

transparency and accountability in government and create a responsive public sector.

The traditional and new media enables public officials to take major decisions by feeling the pulse of the people and, in that sense, ensures that public opinion plays a pivotal role in every major government action.

Decentralisation has been the theme for development in Bhutan and the government is making an effort to distribute information by setting up websites and linking databases and information systems through the Internet. The Bhutan Power Corporation and Bhutan Telecom subsidise power and telecom infrastructure in the rural parts of the country and the Ministry of Information has identified e-governance as a priority. It is piloting telecentres in various parts of remote Bhutan.

Bhutan may not see the creation of an "electronic republic" as envisioned in some countries but electronic democracy is already seeping into the standard structure and enhancing representative government.

The Bhutanese media was required to play an important role in decentralised governance. This role becomes more important with the process of democratisation in the emerging political system. King Jigme Singye Wangchuck has emphasised, even as the country drafts its first written Constitution, that it will establish a system of democratic governance that is relevant and appropriate to Bhutan. And it is in this perspective that we will look at the role of the media.

While the concept of the media as the "fourth estate" in democratic governance emphasises the traditional watchdog role of the press this paper will emphasise the public service role of the media, providing other dimensions. Public service media forms the theme of this paper, elaborated in PART II, but in this section we will define the concept of public space as a vital element in a democratic system.

We look at public space – which is synonymous with the role of the media – as the space where discourse and dialogue takes place. The media is the public space, the provider of public space, and the vehicle in which public discourse takes place.

Classical liberal theory describes public space as the space between government and society in which private individuals exercise formal and informal control over the state—formal through election of government and informal through the pressure of public opinion.[3] The sine qua non of democracy, in its purest form, is the empowerment of the individual.

In the functioning of a democratic system, it is the public sphere that keeps all the other elements of democracy in place. It is a social sphere

[3] Jakubowicz, Karol, Public Service Broadcasting and Democracy

that is distinct from the "public authority" of the state on the one hand and the private sphere of economic relations and intimate family relations on the other. Habermas maintains that the bourgeois public sphere embodied a more general principle of "publicness" that the personal opinions of private individuals could evolve into public opinion through the rational-critical debate of a public of citizens which was open to all and free from domination.[4]

Bhutan must be aware that media is increasingly central to political life in democracies where politicians actively plan their publicity around the media to remain in public attention. Events are manipulated and appearances planned to give the illusion of public participation.

The success of democracy depends upon an "informed" public or, in the context of this paper, an "enlightened" public. That, in essence, defines the nature and the role of the media.

Looking Ahead

GNH – Media – creating enlightened society

In the perspective of this paper, we emphasise that Gross National Happiness is not an unfulfilled promise to confer happiness on citizens as it is sometimes perceived. In fact it is not even about the concept of happiness, a misconception that has led to some scepticism about GNH. Gross National Happiness is the responsibility of the government to create an environment in which citizens, as understood in Buddhist practice, can find happiness within themselves.

Happiness, in GNH, can be interpreted as the contentment that is the essence and expression of a good quality of life; as the personal development which should be the goal of national development, it symbolises the success of a wholesome development process, the end goal of good governance that leads to a good society. In a Buddhist perception, it is the enlightenment that comes to successful practitioners. We note here that enlightenment is not an esoteric possibility in the future or the next life as some people may believe but the enlightenment that is possible, in varying degrees, in the present life.

A critical element of GNH, therefore, is the empowerment of the citizen which is, as we understand, the basis of democracy. This means giving citizens the education to make informed decisions. It means enabling citizens to have the critical wisdom[5] to open our minds to the

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[4] Tomlinson, J. in Local Visions of the Global

[5] Buddha taught the need for freedom from belief systems that were against personal development so that individuals could develop the power of critical wisdom.

possibilities of enlightened living. It means, not just providing access to information but enabling the citizen to make reasoned decisions at the individual, community, and national level.

In other words it means the need for an effective media. The media becomes, in Buddhist terms, the skilful means – an indispensable tool – for the achievement of the four pillars identified by the government as well as other elements in the broader interpretations of Gross National Happiness.

The media is, therefore, inextricably linked to GNH. Just as GNH is a response to globalisation and global interpretations of development, the Bhutanese media has the responsibility to resist and provide alternatives to global trends in the media. If GNH found that economic development had taken precedence over happiness as a priority in development we find that the global media too is consumed by commercialism, generating materialism as an end goal.

Finally the media, as the public space for discourse, is the forum for intellectual discourse on GNH that is missing in Bhutan, the home of GNH, although the GNH discourse did begin in *Kuensel* in 1999[6]. It is the media's responsibility to not only provide more clarity on GNH but to make the concept palatable to a population that is more cynical than we often admit. It is the media's responsibility to reflect the varying degrees of understanding of GNH among the Bhutanese people to contribute to and deepen this discourse.[7]

Glocalisation – a response to globalisation

The implications of globalisation are multi-fold but, in the context of this paper, we look at the risk of Bhutanese culture being homogenised and the role of the media to balance this trend. While we argue that public service media is the healthy alternative to a commercialised global media, we stress the need for society to be able to withstand the pressure of the global media.

One strategy is glocalisation. Glocalisation is defined as the ability of a culture, when it encounters other cultures, "to absorb influences that naturally fit into and can enrich that culture, to resist things that are truly

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[6] *Kuensel* published the prime minister's first statement GNH. It was followed by weeks of discussions as readers responded.

[7] The concept of GNH has been an intuitive concept in a society that is still steeped in Buddhist values that upholds the middle path. Hence, Bhutan's pro-social and sustainable policies. But for GNH to become a realistic and operational guideline for development there is a need to go beyond the instinctive and this can be done through more debate and discourse through the media.

alien, and to compartmentalize those things that, while different, can nevertheless be enjoyed and celebrated as different"[8]. The purpose of glocalisation is to be able to assimilate aspects of globalisation into your country and culture in a way that adds to your growth and diversity without overwhelming it.

The rise of alternatives through globalisation was meant to be good for viewers in giving them choice. But the truth is that we quickly degenerate to the lowest common denominator. Analysts state that globalisation empowers the common man and woman to have all these choices and, when that happens, it is inevitable that they will make the choices that seem the most attractive, modern, appealing, convenient and commercial.[9] We recently saw this in India when the government-funded Doordarshan was forced to compete with the commercial channels by broadcasting popular shows at prime time and by introducing entertainment channels.

It is, therefore, critical for the Bhutanese media to help society resist the media onslaught because it is media that is changing the world. It leads to the need to control external media to balance the aerial invasion. The filters are particularly important because, as we know through experience, our infant media will not develop the capacity to withstand the multi-million dollar industry that is out to seduce the world.

The Public Service Media

In this section we will define public service media, particularly by its role and audience. Since we are recommending public service media as the most relevant and desirable form and approach for the Bhutanese media, we will also look at the challenges facing the public service media. These challenges, which include the high cost of producing quality original content, a key function of the public service media, are linked to the recommendations that come at the end of the paper.

Public service media is sometimes defined by its method of funding, sometimes by institutional form, sometimes by legal status, but the core element in the definition is the independence of the media from state and market control to allow it to truly serve the public.

In the past public service media was understood as government media, owned by government and run as the official voice. Media critic Noam Chomsky also warns that business corporations now run the world, the political parties, and the media.

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[8] Friedman reiterates the view of many analysts that glocalisation is an important filter to the threat of homogenisation brought about by globalisation.

[9] Zakaria

In 1933, the concept of an independent media, directly or indirectly subsidised by the government, emerged with the initiative taken by the British Broadcasting Corporation (BBC) which maintained its independence through a royal charter signed by the Queen of England. The format has been followed by broadcasting organisations in many countries including Australia and Canada and, to an extent, the NHK in Japan.

In Bhutan we talk of national interest. The public service media does not change this national goal but strengthens the public interest component of this goal. Public service media also recognises the importance of cultural diversity and, in that sense, the need to be different in each country to suit the specific priorities and conditions.[10]

Audience

Public service media is also distinctive for its audience and its relationship to the audience. Public service media recognises its audience, not just as citizens, but as members of different sections of society identified by age, sex, occupation, interests, education levels and, in Bhutan, their remoteness, all with varied interests and needs.

Despite much talk about the information society, public service media recognises that information by itself is not knowledge and it is knowledge that distinguishes us as human beings. So the pursuit of knowledge is the basis for the most valuable forms of communication.

Public service media in the west is appreciated particularly by the intellectual elite who appreciate high quality up market programmes. In Bhutan the media will have to cater to the masses, creating a need for diversity.

As Kiran Karnik described it:

> It needs to concern itself with developing taste, promoting understanding, spurring literacy and development, creating informed debate, empowering the disadvantaged… issues that a commercial broadcaster need not even think of.[11]

As Bhutanese citizens are given the right to information about Bhutanese society and the democratic process, the public service media needs to serve the non-consuming classes in far flung communities to make them a part of the process.

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[10] As the World Radio and TV Council states: public service must serve the cultural progress of our world not its own corporate interests.
[11] Karnik, K.

A diverse audience calls for a diverse media and today's audience requires both the one–way traditional media like radio broadcasting and the interactive forum like the Internet. As convenient as the radio is for remote semi pastoralist communities, the Internet finds immediate responses and feedback from the educated sections of the population.

Role

With the explosion of commercial television channels, governments and media watchers initially felt that public broadcasting organisations were no longer relevant. But the world soon came to realise that, as commercial channels became completely consumed by consumerism, public media had become more relevant than ever. It had become indispensable.

As media practitioners helplessly lamented the complete overwhelming of the media by commercialism, public service media – encompassing all media and not just public broadcasting - was the most powerful safeguard against the homogenisation of cultures and the swamping of all other media by prefabricated entertainment products, globally produced.

The press today is sensational, trivial, and largely senseless, be they tabloid newspapers or talk shows and serials. Governments and societies in many countries are recognising the public service media as being absolutely vital to sustain the quality, diversity, independence, integrity, original content, and standards in the media.

Public service media does not reject commercially funded programmes or print media but would ensure that adequate filters and regulations guide the balance of commercial and public media, backed up by dynamic support from people.

As a safeguard against the "dumb power"[12] of the entertainment-driven media, the public service media has a clear-cut if diverse role. The following specific responsibilities have been identified by promoters of the public service media:

- a mission to safeguard society and culture
- making up for the failures of commercial media
- creating a better informed and educated public
- help the audience judge what is good (paternalist conviction)

[12] Brown and Duguid describe the world embracing the "dumb power" of the information age where the focus seems to be entirely on more information, better processing, wider bandwidths. In such a scenario, quantity takes precedence over the quality of media.

- a political role to serve democracy.
- the traditional watchdog role of the press

Public service media needs to balance the commercial media and to provide healthy alternatives, combining public and commercial service, functioning with complete freedom from government and from commercialism. Journalists must take on the mandate to give the public what they need and not what they want. This is based on the sometimes controversial assumption that the public does not know what it needs and what it wants is the lowest common denominator.

Bhutanese media professionals must understand the serious responsibility of good journalism so that they benefit society and the processes including GNH. As the UNDP's Human Development Report 2002 states "The media can be free of both state and corporate control if it serves the public first and foremost and follows higher standards of professionalism and ethics."

A Buddhist perspective

The relevance of the perspective provided by Buddhism is all-pervasive. This section high lights the relevance of the concept of public service media to Bhutan.

In a western notion, the idea of control is central to communication but, in a Buddhist context, notions of sharing and mutuality are equally important. The western focus on media and its role in society hinges on control and influence with a stress on the intellect. In a Buddhist context the key to communication lies, not in the sender or in control, but in the receiver and understanding. There is a focus on choice. Buddhism states that life is a choice of decisions while western concepts seem to suggest that technological determinism and globalisation takes precedence over personal will.

As we have discussed in the context of good governance and democracy we need to give the receivers of communication the ability to reason, choose, and decide. GNH requires that people are able to make reasoned choice. Hence the role of the media to help create enlightened society. King Jigme Singye Wangchuck highlighted the responsibility of the people in choosing what was good from the media when he announced the introduction of TV and the Internet in 1999. (Silver Jubilee speech)

Within the Buddhist framework, the media has to offer to everyone a freedom which is conditional upon the freedom and dignity of others, so that individuals may develop a self-reliant responsibility rather than becoming what Ken Jones describes as the "conditioned animals of

institutions and ideologies"[13]. The good society, or the enlightened society, which GNH hopes to achieve, means that the media should also strive to provide a means and an environment which provides different ways to different kinds of people. It must provide the alternative views, the feedback, and the critical information to help remove obscurations in society, whether they be gross materialism, corruption, misguided policies, or social ills.

While it is beyond the scope of this paper, the Bhutanese media can eventually draw on Buddhism to find a Bhutanese personality, from the role of journalism as a skilful means to help empower the people to the inspiration that comes from the Drukpa Kuenley antics to challenge the establishment. After all, GNH is not a new concept but the expression of existing wisdom.

Challenges

As noble as the concept of public service media might be, however, the challenges are formidable. There is the dilemma of staying away from state control but being dependent on state subsidy. Balancing the powerful force of the commercial media poses an even more difficult task given market trends and forces. And, accepting that the public service media must attempt to be a healthy alternative to both these forces, there are several immediate obstacles that must be overcome.

Eyre[14] adds that public service broadcasting is, in fact, facing oblivion for several reasons:

- it relies on the notion of an active broadcaster and a passive viewer and, in an era of wide choice, many viewers will 'pass on the wholesome, healthy and carefully crafted in favour of the easily digestible, pre-packaged and the undemanding'
- an enduring definition of public service broadcasting will be impossible to formulate
- it relies on regulators who will be unable to do a comprehensive job
- while regulation is necessary it is rapidly being outpaced by technological and commercial developments.

Bhutan suffers the disadvantages of many government-owned media that are structured like government organisations where

[13] Jones, K., Buddhism and Social Action in Eppsteiner, The Path of Compassion.
[14] Eyre R. The Guardian August 28 1999

employees work like civil servants. This will hamper competition with the commercial media at a time when it is also under pressure from the global media. The Bhutanese media will have to find the creativity, the quality, the professionalism as it grapples with its own evolution.

But the greatest shortcoming will be an acute shortage of funds, a problem which is the basis for most of the other problems.

Despite the apparent glut in media the world is short of healthy media content. To fulfil its accepted mandate and balance unhealthy programmes the public service media would have to produce voluminous original programming. With even the developed countries unable to produce adequate high quality programmes the developing world does not have the funding or the skills to meet its needs.

In a free market where content is produced only when there is a commercial return the main drivers of television content are entertainment programmes like sports and Hollywood films. Even the BBC, funded through a £ 900 million budget a year, cannot meet the demands.

Bhutan, a landlocked country which does not produce even raw material for the media, is an extreme example of the adverse economics of production and publishing. The national radio and television station is budgeted like a government department and *Kuensel* Corporation subsidises the newspaper with commercial printing.

Today, BBS and *Kuensel* are examples of potential public service media, functioning with growing independence, and fulfilling social obligations that require government subsidy. If it were to commercialise, *Kuensel* will sell only in Thimphu and Phuentsholing because distribution in the rest of the country is a loss. BBS would be forced to seek the lowest common denominator.

On the other hand the private media are showing blatant characteristics of the commercialism that is seen everywhere. Profit is the primary criteria for the production of film and music, the two most successful media, and the content is heavily influenced by Bollywood. Without a viable market it is likely that private media will have other motives like politics.

Recommendations

In drawing up recommendations for the Bhutanese media, on the basis that it must adopt a public service mandate, this paper will outline some broad needs based on the issues highlighted in this paper. This will provide a foundation for future research and policy considerations as well as specific steps based on the general direction that the policies take.

- Media access and information infrastructure needs to be central to development planning in Bhutan, not just to overcome the country's geographical barriers, but as an active player in the changes. (MIS, p.27) The draft Constitution is expected to guarantee freedom of expression and freedom of the media so it is necessary that the technological and legal structures are in place.
- The responsibility of the public service media also requires that the inevitable freedom of the media must come with a strong sense of accountability. Professional maturity being a long-term process, it is critical that the laws, rules, and institutions are put in place to ensure the accountability of the media.
- It is a healthy development that the Constitution is already being pre-empted by a converged Media Act. Regulations are being put in place and a Media Regulatory Authority has been established. Lessons from other societies would indicate that a code of conduct and code of ethics for journalists would serve the society well.
- Education and training of media professionals working in the changing environment will be critical to the success of the government's vision. This means the need for specific media courses, particularly for new private media in future.
- Various forms of filters will be required to ensure that the privatization of media enhances the citizens' needs and avoids the pitfalls of commercialism, which is driving much of the world's media today. Such filters would include guidelines for advertising, filming, television programmes, and directions for the print media.
- Media literacy programmes need to be introduced for the younger generation, the public, and the government to promote greater public participation in defining the parameters and guidelines for media to develop.
- Glocalisation is an important filter. It requires a clear understanding of the global media and its impact as well as policy guidelines for both the international and local media to preserve Bhutan's unique cultural heritage.
- Diversification of media ownership is one of the most fundamental building blocks of a true democracy. Media ownership in Bhutan must be distributed region-wise with a ceiling placed on cross media ownership to avoid monopolies. Ownership must also reflect the pluralism of a democratic

society.

- Subsidy: As a landlocked developing country, Bhutan will be faced with the high costs of media production. The public service media will require subsidy in a variety of forms, from direct budgetary grants to indirect input like infrastructure, advertising, tax waivers, and other policy considerations. The government has invested in the information sector and laid the groundwork for electronic infrastructure with the establishment of the telecom network and the distribution of power. Such investments will need to extend to all areas of the media, including equipment and training of professionals.
- Funding should not be solely a state responsibility. Bhutan can draw from the experience of other countries and look at a range of source including license fees, direct and indirect subsidies from the public, advertising, and sponsors, divesting of shares of government owned media, and the sale of commercial products.
- The consumers must contribute so that they develop a sense of ownership that would be a healthy trend in a small society where media issues will inevitably be personalized. The consumer can pay in the form of license fees and the purchase of shares.

The Bhutanese media is still in its infancy but infancy can be an advantage. We are starting at the beginning and have vast global and regional experiences to draw from. As in other areas of development Bhutan can also skip the past generations of technology and take advantage of the latest advances. Just as *Kuensel* missed decades of the hot metal press and began the newspaper on a modern desk-top publishing system, Bhutanese media can make the best use of the ICT revolution. It must fulfil the progressive policies established by an enlightened leadership.

Conclusion

The Bhutanese media must be conscious that it functions in the environment of a small vulnerable society that survives on the strength of a distinct cultural identity. The development of the media must, therefore, show sensitivity to this cultural and social complexity in the environment of the rapid political transformation. The Bhutanese media will, in many ways, represent the credibility of the Bhutanese system and the credibility of change itself.

Although the role of journalism has changed through history in rapidly changing environments, it will continue to be an important player in national development. As Bhutan opens up to unprecedented change,

the role of the media has never been so critical, a role that will become more important with time.

GNH represents an enlightened approach to development and change. The Bhutanese media has a central role in the operationalization of GNH, not just to inform, educate, and entertain the audience, but to truly empower people so that they develop the ability and achieve the freedom to attain happiness.

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Planning for Sustainable Happiness: Harmonizing Our Internal and External Landscapes

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Abstract

While it is widely recognized that urban planning and public health are interrelated, the significance of 'happiness' for our health and well-being has not been taken up in the planning literature. Perspectives from positive psychology, which are demonstrating the links between health and happiness, have yet to influence transport and urban planning policy and practice. There is one notable exception – during his tenure as mayor of Bogotá, Enrique Peñalosa, chose to 'plan for happiness'. He also focused on the needs of children. Meanwhile, research on children's health and transportation (O'Brien, 2001; Tranter and Malone, 2003) has examined the needs and aspirations of children in the context of urban planning. This research brings us full circle, back to happiness. Children's view of transportation (when walking to school) reminds us that transportation is not only about 'moving people and goods'. It is about wonder, discovery, joy and happiness. Opportunities for expanding our thinking around planning, happiness and sustainability are offered.

Background

One of the major patterns of change at the beginning of the 21st century is urbanisation" (Chawla, 2002, p.15). This pattern of urbanization means that more than ever, we need to accentuate efforts towards sustainable cities. Transport and urban planning are central to this. How might the concept of Gross National Happiness[1] contribute? Essentially, by raising the prospect that individual and public happiness deserve our attention in every aspect of policy and practice, not to mention daily living. Happiness is a concept that is not generally discussed in transportation planning literature. In fact, many adults might even see transportation and happiness as an oxymoron. Nevertheless, there are numerous incentives to consider how research on happiness may contribute to sustainable transportation and urban planning as well as more sustainable societies.

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[1] Gross National Happiness (GNH) is a concept that originated in Bhutan. The government of Bhutan states that GNH is more important than GNP. "Development should be understood as a process that seeks to maximize happiness rather than economic growth… it recognizes that the individual has material, spiritual and emotional needs" (Bhutan 2020).

Positive psychology's contribution to our understanding of happiness, health and wellbeing is influencing research and practice in many fields: happiness in the workplace (Gavin and Mason, 2004) positive organizational behaviour (Luthans, 2002), clinical psychology (Baker and Stauth, 2003; Holden, 1998), spiritual well-being and happiness (Kabat-Zinn, 2005), and new indicators of well-being (Diener and Seligman, 2004). The recognition that public health and city planning are interdependent (Killingsworth and Schmid, 2001) means that as our understanding of health expands to include happiness, we are challenged to consider its convergence with planning. We might even be challenged to 'plan for happiness'.

This paper outlines the rationale behind planning for happiness and offers examples of existing initiatives. It also invites the reader to consider how our process of knowledge construction on this subject may be enhanced – enabling us to accelerate efforts towards sustainability.

Transportation, Health and Happiness

Being "truly happy in this world is a revolutionary act" according to Sharon Salzberg (2002, p. 17). Understanding happiness in the context of our daily travel and how we build our cities is indeed revolutionary. Conventional transportation planning views went something like this: 'Transportation is about moving people and goods, as quickly as possible'. Embedded within this mindset was the assumption that if we take care of the transport needs of adults, (typically those using motorized transport), then the transport system is successful. Once the impact of transport on population health and the environment was more widely acknowledged, this paradigm began to shift. Somewhat more attention is now given to pedestrians, cyclists, the benefits of transit, and the opportunities for daily physical activity through transport, the relationship between land-use and transport planning, and the need to mitigate harmful environmental and health impacts of motorized transport (WHO, 2000). Active Living by Design[2] in the United States is an example of this in practice.

Until recently, however, the needs and aspirations of children (including youth) were barely considered (O'Brien, 2003). This has meant that the harmful impacts of motorized transport for children's health and well-being were essentially overlooked. Our knowledge development towards sustainable transportation was incomplete. Meanwhile studies on children's health and transportation have been accumulating a disturbing body of evidence. There is now extensive documentation

[2] See www.activelivingbydesign.org

(Gilbert and O'Brien, 2005) regarding children's vulnerability to air pollution (WHO, 2004), the impact of transportation on obesity levels (Fox, 2003), the health risks of living near high traffic areas (Pearson, Wachtel and Ebi, 2000), exposure to vehicle pollution (Wargo, 2002), the effect of noise on reading levels and stress hormones (Evans, G., Lercher, P., Meis, M., Ising, H., and Kofler, W., 2001) and of course, the fact that traffic fatalities are the leading cause of injury death for children in many Western countries (OECD, 2004).

Transportation also plays a role in children's emotional development and well-being. Heavy traffic may reduce opportunities for spontaneous play, reduce the range of children's play activities (Huttenmoser, 1995; Tranter and Doyle, 1996)) and limit independent mobility (Tranter and Pawson, 2001). There is also evidence that children are taking more trips by car than children did ten or fifteen years ago (Gilbert and O'Brien, 2005; Morris, Wang, and Lilja, 2001). Indications are that many of children's car trips are replacing trips that were once taken by walking or cycling. This may affect both physical and emotional well-being. A comprehensive discussion of children's health and transportation may be found in *Child- and Youth-Friendly Land-Use and Transport Planning Guidelines* developed by Canada's Centre for Sustainable Transportation (Gilbert and O'Brien, 2005).

The severity of these health impacts provides significant reason for accelerating strategies towards more sustainable transport and land use planning, and indeed more child-friendly planning. Planners also recognize that congestion during peak travel periods is due, in part, to the increasing number of trips to school by car. This is prompting interest from travel demand managers to consider children's travel. In the United Kingdom, schools are given grants to develop School Travel plans[3] to encourage active transportation and play their part in promoting sustainable transportation. In Canada[4] and many other countries, children are learning about the benefits of walking and cycling to school through programs that also address the safety concerns of adults (Victorian Health Promotion Foundation, 2003). This non-formal education has come through Safe Routes to School programs that promote Walking School Buses and Neighbourhood Safety Audits to determine the safest routes. The international Safe Routes to School[5]

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[3] See www.saferoutestoschools.org.uk/index.php?f=travel_plans.htm

[4] In Ontario see www.saferoutestoschool.ca. In British Columbia see www.waytogo.icbc.bc.ca

[5] See www.iwalktoschool.org

movement has played a critical role in raising the profile of children in transport and land use planning.

UNESCO has also spearheaded efforts to create more child-friendly cities[6], promoting the need to plan communities both for *and with* children (Driskell, 2002). Italy has taken a leadership role with its project 'Sustainable Cities for Girls and Boys' (Corsi, 2002). All of these efforts are beginning to shift our transport and urban planning paradigms to include the marginalized sectors of children and youth.

What do children want? Would they prefer to be chauffeured as car passengers or would they rather walk and cycle in their neighbourhood? The Ontario Walkability Study (O'Brien, 2001) surveyed more than 6,000 elementary students on International Walk to School Day 2001 (IWALK). The study found that *nearly 75 percent of Canadian children surveyed would prefer to walk or cycle to school regularly*. Quotes from children all over the world on IWALK portray a similarly fresh perspective on transportation. A five year old explains that, "We walk to school because we can see a kitty or a pup and sing along with the birds"[7]. As we begin to incorporate the needs and aspirations of children we are discovering that their views may even be transformative. Children's experience of transportation, while walking to school, is that of *wonder, discovery, adventure, connection, and happiness.*

Its easy to imagine the playful sense of adventure that children bring to walking trips. They are very much engaged in the journey. They are living in the moment, the very thing that we aim to achieve through the practice of mindfulness (now shown to be linked to positive emotions and physical well-being) (Kabat-Zinn, 2004). They are immersed in what Kabat Zinn calls the 'nowscape'. What about adults? Has transportation lost its joy? Is our daily commute so miserable that we have to divert ourselves from the fact that we are travelling? Individual travellers and urban planners may be feeling very much removed from the prospect that transportation can, or should, involve happiness. Yet many of us can think back to childhood days when we walked to school and home again. Those were often carefree trips, talking with friends, kicking pebbles along, negotiating snow banks, jumping in leaf piles or puddles. As adults, those sensory journeys seem like a nostalgic memory as ours daily trips focus on getting to our destinations as quickly as possible. And yet, our body is aware of the journeys we take and if they are stressful or

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[6] See www.childfriendlycities.org

[7] This quote and the one on the following page are from the IWALK web site: www.iwalktoschool.org/quotes/index.hsql

dispiriting, this affects both our emotional and physical well-being, and possibly even our spiritual well-being (O'Brien, 2003).

Spiritual Well-Being and Transportation

If 'happiness' is on the fringe of transportation discussions, spiritual well-being and transportation is 'beyond the fringe'. Health research is demonstrating that physical, emotional and spiritual well-being are interrelated, influencing each other (Kass, 2000; Seligman, 2004; Kabat-Zinn, 2004). Once again, as we explore the relationship between health and urban planning, it is an oversight to ignore this aspect of health. One report has ventured to rectify this. A Public Health Advisory Committee in New Zealand (2003) incorporated spiritual well-being in its understanding of health and chose the following definition in its report regarding the Impact of Transport on Health: spiritual well-being is "the experience of mutually rewarding encounters between people, a sense of communion with the environment, access to heritage and cultural integrity" (p.3). If we place this perspective alongside the quotes from children it appears that their words resound with expressions of spiritual well-being as the following examples illustrate:

> Child Walking to School Spiritual Well-Being
>
> Walking and talking with my dad "the experience of mutually was the best bit. We saw two rewarding encounters between slugs with no homes, but they still people, a sense of communion with had their aerials, and someone had the environment, access to heritage dropped their apple from their and cultural integrity" packed lunch. I wish my dad could walk with me all the time.

Perhaps the cultural integrity that children are accessing is the culture of childhood. A more venturesome view would be to see this as accessing a culture of joy.

Kass (1998; 2000) has demonstrated the link between spiritual well-being and emotional resilience. His view of spirituality revolves around the benefit of feeling a connection with the sacredness of life. This connection may be with another person, with nature or with an experience of divinity. How this might unfold with respect to transportation is reflected in the words of an adult who chose to give up his car and use a bicycle as his main mode of transport.

> What surprised me was the sheer joy of biking. Giving up 'stuff' is supposed to be good for your soul but a drag to go through, but getting down to one car has been surprisingly easy... When I ride my bicycle, the wind sweeps past me, awakening my body to the fact that I am moving someplace within this world. I am part of my

> world and community, not removed from it (Trabue, 2003).

It would seem that through turning our attention to happiness, spiritual well-being and children we may discover that transport and urban planning have more profound significance in our lives – and potentially more benefit than will be realized if we persist in viewing them solely through the lens of engineering or economics.

Planning for Happiness

Gross National Happiness prompts us to explore the many ways that emotional and spiritual well-being could be incorporated into policy and practice. Urban planning is no exception. How might cities and towns look if we adopted the notion of Gross National Happiness in our urban planning - perhaps even going so far as to honour the sacredness of individuals and nature? Enrique Peñalosa, the former mayor of Bogotá, Colombia (population seven million) has provided remarkable leadership in this direction. Peñalosa initiated the first car-free day in Bogotá. During his tenure he created urban infrastructure and public space that gave priority to children and to those who don't own an automobile. His motivation? HAPPINESS!

> We had to build a city not for businesses or automobiles, but for children and thus for people. Instead of building highways, we restricted car use. ... We invested in high-quality sidewalks, pedestrian streets, parks, bicycle paths, libraries; we got rid of thousands of cluttering commercial signs and planted trees. ... All our everyday efforts have one objective: HAPPINESS (conversation with Peñalosa in Ives, 2002).

We might characterize his approach as 'Planning for Happiness'. Part of planning for happiness, involves planning with respect.

> All this pedestrian infrastructure shows respect for human dignity. We're telling people, "You are important—not because you're rich or because you have a Ph.D., but because you are human." If people are treated as special, as sacred even, they behave that way. This creates a different kind of society" (conversation with Peñalosa in Ives, 2002).

For the past year, Peñalosa has been a visiting scholar at New York University and a highly sought-after speaker around the world. During a recent interview he talked about his belief that we should strive to create 'Cities of Joy'. He writes about cities of the 'Third World' but those of us in 'developed' countries could also ponder the relevance of his words.

> If we in the Third World measure our success or failure as a society in terms of income, we would have to classify ourselves as losers

> until the end of time. Given our limited resources, we have to invent other ways to measure success, and that could be in terms of happiness. It may be in how much time children spend with their grandparents, or the ways in which we are able to enjoy our friendships, or how many times people smile during the week. A city is successful not when it's rich but when its people are happy (Peñalosa in Walljasper, 2004).

Peñalosa's words are supported by Diener and Seligman (2004) who recommend that we recognize the limitations of measuring well-being through economic indicators. They too encourage us to view happiness (subjective well-being) as an indicator. Wagenaar (2005) writes that "cities symbolize the pursuit of public happiness" (p.15). If we are to embrace these views, it becomes vitally important to investigate individual and collective views of happiness because if our individual views of happiness are askew, we could easily find ourselves pursuing happiness in directions that are unsustainable. As many authors suggest, individuals in the West behave as if happiness=consumption (Anielski, 2004; Kasser, forthcoming). In the public realm, the consequence may be, that municipal planners strive to support the greatest public happiness even when this amplifies the consumption-based view of individual happiness. In fact, we can see this played out in our travel patterns and transport systems that are designed around the happiness of car owners and our misperceptions about saving time, with insufficient attention to sustainability. Tranter (2004) demonstrates that car travel may actually take more of our time that most people realize with severe costs to public health and the environment. If we calculate all of the time related to owning a car (working to purchase it, maintain it, insure it, and the time spent driving), as well as the extensive external costs (economic, social and environmental), we discover that cycling and public transit may actually save us our highly valued time and contribute to a greater public good.

> The concept of 'effective speed' should be seen as one (of many) ways in which to highlight the ineffectiveness of private motor vehicles as a form of mass transport, as well as highlighting the superiority of public transport (and cycling). … Given that 'speed' is so highly valued in our society, if motorists can be shown just how slow they are 'effectively' moving, they may start to question their love affair with the car, and consider changing their transport behaviour in ways that will lead to a reduction in greenhouse gas emissions (p. 13).

As well, children and the environment are bearing the burden of our individual and collective transportation choices. And yet, adults behave

as if our individual right to consume travel, has minimal impact on the world around us.

Positive psychology is affirming that once we meet our basic needs, the experience of authentic happiness has a great deal more to do with intrinsic factors such as self-acceptance, meaning, empathy, and love (Holden, 1998; Seligman, 2002; Diener and Seligman, 2004). In the West, unless our individual understanding of happiness matures to include less materialistic, individualistic views of happiness, we will continue to create communities and cities that are unsustainable. In urban planning this means examining how we are responding to and compounding the faulty assumptions about individual happiness which are not aligned with sustainability. Therefore, as we play with new possibilities around happiness, transportation and planning my recommendation is to consider how we might plan for *sustainable* happiness.

Sustainable Happiness

The new science of happiness is drawing our attention towards aspects of ourselves and organizations that are 'positive'. It emphasizes optimism, personal strengths and virtues, and counsels us to discover what makes us truly, authentically happy. (Seligman, 2004; Park, Peterson and Seligman, 2004). However, pursuing Seligman's view of authentic happiness, even though it is more intrinsically oriented, may not lead to sustainable societies if we are unaware of how our pursuit of authentic happiness impacts other people, the environment and future generations. A simple example: I may take great pleasure in drinking my morning coffee, even be very mindful of living in that moment, and savouring the taste. My pleasure brings a feeling of satisfaction and happiness, but if I am not drinking fair trade coffee, this pursuit of happiness is not sustainable. At the corporate level, adopting positive organizational behaviour may contribute to the experience of well-being of employees and improve performance. However, if the corporation is not socially and environmentally responsible, positive organizational behaviour may lead to more efficient *but unsustainable practices*.

The notion of 'sustainable happiness' arises in the work of Lyubomirsky (2003) though this is from the perspective of *sustaining* happiness. Kasser (forthcoming) also suggests that authentically happy people may be more inclined to engage in environmentally friendly behaviours, are more likely to be altruistic, and may even have a lower ecological footprint. The science of happiness is essentially untapped, however, in terms of its broader applications to sustainability. Conversely, the positive psychology literature would be tremendously enriched through greater integration with principles of sustainability.

Central to our thinking in sustainability discussions is our recognition that we are interdependent on this planet – across time and space. Our complete interdependence with the environment also means that the environment is not something that is only 'out there'. *We* are the environment as well because every molecule in our body has come from a source 'out there'. Once sustainability is linked to happiness we can begin to question the pursuit of happiness in terms of how we are impacting other people, the environment and future generations. Happiness 'experts' advise us to shift from a victim mentality and take accountability for our actions. (Foster and Hicks, 1999; Baker and Stauth, 2003). Recognizing and acting on our choice is empowering and important for our emotional well-being. Foster and Hicks remind us that we can consciously *choose* happiness. *How remarkable and revolutionary it would be if we chose to pursue sustainable happiness*: if we recognized that our moment-to-moment, day-to-day actions and decisions have global impacts through both time and space; that our happiness is intertwined with the happiness of all life.

The profound optimism that I hold for integrating policy and practice regarding happiness and sustainability is based on my assumption that fostering sustainable happiness may lead to sustainable behaviour (including more sustainable policy-making) and contribute to sustainable societies. This assumption may be incorrect. We know that values that are in line with sustainability do no always lead to sustainable behaviour. (McKenzie-Mohr and Smith, 1999). It is possible, though, that sustainable happiness, once fully integrated, is such a powerful new worldview that it would influence *all* personal values *and* behaviour. We also know that the inverse is happening. The *pursuit of happiness which is not based on sustainability leads to unsustainable societies*. We have been camouflaging our pursuit of unsustainable happiness with the trappings of economic indicators (that often do not reflect full-cost accounting). I believe that one of the healthiest steps we could take as individuals and societies is to open ourselves to more provocative and penetrating discussions around happiness – examining and exploring how our current beliefs, values, and actions about happiness are fostering or detracting from sustainability. And indeed, how our pursuit of unsustainable happiness is creating a great deal of unhappiness for ourselves and others. A conversation with Brazilian economist, Marcos Arruda, has raised a significant question in my mind. Is modern development actually winnowing joy out of our lives? Arruda, who has lived in both the North and the South, once told me that from his experience, "there are islands of joy in the North, and seas of joy in the South".

Peñalosa brings this home in his exhortation to build cities of joy that support social interaction, equity, and honour the sacredness of people and the environment. If we are to adopt this view of planning for happiness we will also need to educate ourselves and the public about sustainable happiness. Typically, our individual and collective views of happiness are developed through informal learning (parents, the media, spiritual leaders, social learning). There is surely great wisdom from some of these sources, and yet the prevailing culture has been that happiness is to be found through lifestyles and livelihoods that are unsustainable. We may need to consider a more deliberate education process for sustainable happiness. Otherwise the default message may be more like the following:

> …not only do commercialization and consumerism color our social surround, they worm their way into our psyches, leading us to organize some portion of our lives around increasing our salaries and owning more stuff. To one degree or another, all of us adopt a materialistic or "extrinsic" value orientation (Kasser, 2002) in the belief that "the goods life" is the path to "the good life." (Kasser, forthcoming)

Another way of viewing this is (paraphrasing Foster and Hicks, 1999):

> If we don't truly intend to make sustainable happiness a conscious reality, we have unconsciously chosen something different (p.20).

Happiness and Sustainability: Harmonizing Our Internal and External Landscapes

This paper has presented ideas and information which thus far have not been part of conventional transportation and urban planning; 1) happiness, as a component of health and well-being, does not belong on the fringe of policy and planning; 2) we can contribute to sustainable cities through planning for happiness; and 3) we can take this a step further by considering how we may link sustainable happiness with sustainable societies. Sustainable happiness challenges us to recognize that sustainability cannot be understood solely in the context of our external world. It is also about finding greater harmony between our internal and external landscapes. There is a compelling logic in this. We know that creating sustainable societies requires participatory knowledge development and the integration of knowledge from sectors that have been previously marginalized. In transport and urban planning, this marginalized sector has typically been non-motorists. As noted above, children in particular have been marginalized.

Sustainable happiness brings a new twist. In the arena of urban planning it challenges us to consider how our transportation and planning might change if we gave greater attention to the needs and aspirations of marginalized sectors *externally*, AND also those aspects of ourselves *internally*, that have been marginalized. It means exploring the relationship between individual happiness and public happiness. It means that psychosocial factors merit greater attention. For some, it means moving outside our comfort zone.

Initially, it may be challenging to get our minds around this link between happiness and urban planning. How does our inner world influence external behaviour? And how do these together influence the external environment we are creating? How does our external world interact with our internal landscape? Can the built environment contribute to sustainable happiness? This simply demonstrates the strength of the concept of sustainability – we are continually challenged to expand beyond our silos and to integrate knowledge across disciplines. It is beyond the scope of this paper to explore this in greater depth, but the following discussion is food for thought.

Dan Baker, a clinical psychologist, whose practice draws on positive psychology, and the science of happiness, writes that the greatest barrier to individual happiness is fear (Baker and Stauth, 2003). From thirty years of therapeutic experience he has drawn the following conclusion: All of our individual fears, such as fear of loss (of our job, our spouse, a child, a relationship), fear of failure, fear of rejection, fear of death and so on can be grouped into three basic fears: 1) Survival; 2) Fear of not Having Enough, and; 3) Fear of not Being Enough. As long as we are operating out of fear, rather than love, we will consistently pursue happiness in ways that are destructive for ourselves and others.

We can readily see that a great deal of unsustainable behaviour may be governed by fears of 'not having enough' or 'not being enough'. Materialism is a shelter for hiding from these fears. Some people are convinced that their jobs and possessions are actually a matter of survival, stressing themselves with a 'life or death' need to hold onto them – even when their material wealth is well beyond their basic needs. "The most important message that the science of happiness tells us about money is, almost nobody thinks they have enough. In the dark recesses of our brains, free-floating fear tells us that we need more, more, more – or our very survival will be threatened". (Baker, D. and Stauth, C. 2003, p.45).

The dark recesses of the brain that Baker refers to are the brain stem (reptilian brain) and amygdala where fear is triggered and resides, often unconsciously. Love, compassion, and happiness are experienced in the

part of the brain that developed later in our evolution, the neocortex. "In every one of us there is a delicate and shifting balance between the power of the reptilian brain and the power of the neocortex. I call this oscillating balance the dance of the spirit and the reptile" (p.30). Baker claims that the spirit must lead this dance because the spirit is the key to happiness.

Learning how to live more from our hearts, to let the spirit lead, and to understand our mutual interdependence is integral to sustainable happiness. In my view our efforts to create sustainable communities, sustainable cities and sustainable societies will make little significant headway until we mature towards this understanding of happiness. At heart, every one of us longs to experience sustained happiness. "Happiness is a shared desire of every human being. It is possibly the ultimate thing we want while other things are wanted only as a means to its increase" (Thinley, 1998). Few of us have understood how to experience *sustainable happiness*: Happiness that is achieved without the exploitation of other people, the depletion of non-renewable resources, and the well-being of future generations.

We can delude ourselves that transportation and urban planning have little to do with sustainable happiness: that it should concern itself only with external, 'tangible' reality. If we persist with this paradigm we will have missed an extraordinary and exciting opportunity – the opportunity to leave a legacy of sustainable happiness.

A Legacy of Sustainable Happiness

As we go forward, 'rethinking development' we have an inviting prospect to explore. Individually and collectively we can learn how to leave a 'legacy of sustainable happiness' throughout our lives. This will be through our moment-to-moment interactions within ourselves, and with the world around us. It means shifting our internal dialogue from fear to compassion, or as my 11 year-old daughter says, "being happiness". Every interaction becomes an opportunity to leave the legacy – how we interact with the cashier at the grocery store, our fellow employees, and our loved ones. The legacy is left through our lifestyle choices, through our livelihood and how we apply our choices within that work environment. If we are involved with city planning we can choose to leave the remarkable (and revolutionary) legacy of creating cities of joy.

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Union of Indigenous Communities of the Isthmus Region

Francisco VanderHoff Boersma[*]

Background

In March 1981 a group of indigenous peasant coffee farmers met with a mission team from the Diocese of Tehuantepec, Oaxaca, Mexico, to discuss their problems. They decided to launch an organized effort to improve the way in which they sold their coffee, for which they were receiving unfair prices. A group of farmers from the communities of Guevea de Humboldt and Santa María Guienagati decided to sell more than 35 tons of coffee that year through the Asociación Rural de Interés Colectivo (ARIC, the Association of Rural Collective Interest) in Misantla, Veracruz. The good prices that they received encouraged them, and for the 1982-1983 harvest the farmers of Santiago Lachiguiri, San José el Paraíso, Santo Domingo Petapa, Guadelupe Guevea and San Pablo Topiltepec were organized under the name of the Union de Comunidades Indigenas de las region del Istimo (UCIRI).

Municipalities with Active UCIRI members

Municipality	Level of Marginality
Santa María Guienagati	Very High
Santo Domingo Petapa	High
Guevea De Humboldt	High
Santiago Lachiguiri	High
Santiago Ixcuintepec	High
Santiago Atitlán	Very High
San Lucas Camotlán	Very High
San Juan Lachao	Very High
San Juan Mazatlán	Very High
San Juan Guichicovi	Very High
San Juan Cotzocón	High
Santa Catarina Juquila	High
San Juan Juquila Mixes	Very High
San Carlos Yautepec	High
Nejapa De Madero	High
San Miguel Quetzaltepec	Very High
San Pedro Huilotepec	High
Santa María Alotepec	High
Santiago Camotlán	Very High
Santo Domingo Tehuantepec	Medium

[*] A Dutch missionary, co-launcher of Max Havelaar, the first Fairtrade label in 1988.

Geographical Area: UCIRI works in the following municipalities and communities of the Sierra region and the northern zone of the Tehuantepec isthmus.

Structure: Each community group that is part of UCIRI names a board of directors, a monitoring committee, representatives and committees for the different local work areas. All of the members of theses bodies serve for one or two years. The representatives and one member of the board meet as the Ordinary Assembly on the 29th and 30th of each month in Lachivizá, Guienagati, to study the problems of the organization and make plans. A written report of the issues discussed in the assembly is then taken to each community for discussion in the local community meetings. It is the responsibility of all cooperative members, delegates and committees to participate in the meetings and assemblies. Unexcused absences lead to a fine, decided upon by the group. At the central level, UCIRI has an Administrative Council (4 members), a Monitoring Council (4 members), each with its respective auxiliary members. The members of the Administrative and Monitoring councils as well as the community delegates are elected for three-year terms. In the Delegates' Assembly the Central Committees are also elected, which represent the different areas of work that the cooperative does. These committees, along with the Administrative Council, determine the general direction which the cooperative takes and have the responsibility for keeping the members up to date on advances and problems at the assembly meetings.

Activities of the Cooperative: Health, education, TCO (Trabajo Común Organizado, Organized Group Work), organic project, Centro de Educación Campesina, (Farmer Education Center, CEC), transportation (UPZMI SCL), hardware store (Lachinavani, SA de CV), jam and jelly production, women's projects, technical assistance project, credit and savings fund (FAC), manufacturing of clothing (Xhiiña Guidxi SCL) and the national and international marketing of our products, most importantly coffee.

A Short History of UCIRI

UCIRI gained legal status in 1983.

The cooperative began by collecting the coffee of its members in a central location.

In 1983-84 the first coffee warehouse was constructed in Lachiviza.

In 1984 the dry processing plant was installed.

In 1984-85 marketing was begun with the help of an organization in the neighboring state of Veracruz.

In 1986 UCIRI got its export license and began to export directly. Also in 1986 the organic coffee production program was initiated with the first inspection and certification through the German certifying agency, NATURLAND (accredited by IFOAM, the European Union and the United States).[1]

In 1988 UCIRI and a Dutch organization, SOLIDARIDAD (Solidarity), together created the first fair-trade seal, Max Havelaar.

In 1988-89 the first ecological certification for a group of small producers was achieved. Before this time, European law had only recognized certifications for individual farmers.

The hardware store, radio-communication capabilities, and the credit and savings fund were established.

In 1989 UCIRI and other organizations formed the CNOC (Coordinadora Nacional de Organizaciones Cafetaleras, National Directorate of Coffee Organizations), which is a group of independent organizations that represent more than 80,000 small coffee farmers.

A national coffee marketing company was formed to assist small organizations in their exportation of coffee. Unfortunately this initiative failed a few years later due to mismanagement.

In 1995 the education of women began in the Farmer Education Center, which had formerly been for men only.

In 1996, after their needs were evaluated, projects designed specifically for the benefit of women were initiated. The most successful projects have been those aimed at improving the wellbeing of the family. These include small animal projects (chickens, pigs, sheep, fish and others) to improve diets, and housing improvement projects (improved latrines and wood-burning stoves).

In 1994 UCIRI and other organizations created ECOMEX, with the goal of examining the situation of ecological certification in Mexico.

In 1996 the "Farmer Festival", dedicated to women, was celebrated.

In 1997 CERTIMEX, the Mexican ecological product certifying agency, was created.

In 1997, for the first time, attention was given to the situation of the youth in the communities. Many young people from the farming communities are abandoning their communities to seek employment in the cities or to travel illegally to the United States.

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[1] For organic coffee to be recognized in the international market it is necessary to undergo external inspections by a certifying agency with international recognition. These agencies confer certification based on the inspections. The first certifier that UCIRI worked with was NATURLAND, based in Germany.

Projects were developed to respond directly to the expressed needs of women and youth.

Two new projects were initiated: the introduction of alternative crops to be used in the production of organic preserves, and the manufacture of clothing.

In 1999 Comercio Justo México A.C. (Fair Trade Mexico) was created as the official organization responsible for the promotion and regulation of fair-trade in Mexico.

In 2000 Agromercados S.A. de C.V.[2] was formed as an integrated marketing company to market coffee, amaranth, maguey, corn, beans and other products.1a) This is what the cooperative members are defending and what they desire:

The land: Chemical fertilizers are not used because the land, well cared for, does not need them. For the improvement of soil and plants alike, techniques such as organic fertilizers, compost, tree pruning, terraces, cover crops, and shade management are used.

Work and the benefits that it provides: Coffee is not sold to local buyers but to cooperatives in the region or is exported directly. The members do not want to depend just on one crop, so instead of planting more coffee they try to diversify their farms by planting more corn, beans, vegetables and fruit.

Health: The cooperative members want to eat better, with more fruits and vegetables, use herbal remedies and keep their houses clean, so that they can work better, be happy and not have so many worries.

Housing: To live in a dignified and humane house, with a Lorena stove (improved wood stove) in the kitchen, a good bathroom with a sanitary latrine, four rooms and a coffee-drying patio. The farmers want to keep working to get electricity, potable water and communication services in their communities.

To preserve the local culture and knowledge: The farmers of UCIRI want to value the good things that they have learned from their ancestors, and to encourage each other to keep their indigenous languages alive. They also want political leaders who serve and help them, not trick and cheat them.

To be better organized: To always be more and better organized, understanding better the struggles that lie ahead so they can know what they are able to and must do. The members of UCIRI do not consider

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[2] A Mexican company formed by organizations made up of small and indigenous coffee farmers. This company seeks to market processed agricultural products that are produced in the fair-trade and organic systems. It is based in the city of Queretaro.

themselves to be miserable, but they are poor. They are human beings who defend their dignity and have hope and faith in themselves because they believe in the God of Jesus Christ who gives them strength, the light, the heat, the water, the fruit and everything from the earth that they need. The solidarity and care for each other that they are planting in the mountains is the same solidarity and care that God Father has for them.

Successes and achievements: In 1983 the organized communities were legally registered with the Secretary of Agrarian Reform as UCIRI. In 1985 UCIRI got an export and import license, the first independent organization to do so; at this time only the large coffee plantations had export licenses. In the 1986/87 harvest season the first direct exports were made to Simón Levelt in Holland and GEPA in Germany. Next, the cooperative developed an alternative market with consumers who shared the concept of solidarity, including Max Havelaar and Transfair. Little by little the cooperative has been building a market presence in Germany, Holland, Switzerland, Sweden, Italy, France, Austria, Japan, Canada and the United States. The company Agromercados was formed with other organizations to increase coffee sales and support the fair-trade movement in Mexico.

This is how we came in contact with the ATOs (Alternative Trade Organizations), the first fair-trade market. One of the first fair-trade initiatives was that of SOS Wereldhandel (later renamed FairTrade Holland). At first they bought mostly handicrafts, but soon they entered into the coffee market on a small scale. The second important importer with whom we began business in 1985 was GEPA from Germany, beginning with a surprise visit of a representative of the firm Simon Levelt (Hans Levelt, who is the owner of this family business) and some members of GEPA, an ATO. During this visit we agreed to a contract to export 400 bags of coffee. Another member of the group visiting us was a Dutch agricultural engineer working with a German institution promoting organic agriculture. He stayed for two weeks, visiting various communities and coffee farms, and came to the conclusion that the coffee fields were already practically organic due to negligence. He encouraged us to implement new techniques in the coffee farms, and he also put us in touch with a German certifier, Naturland, that soon arrived to carry out primary instructions, and we were quickly certified as organic. At that time there were not so many bureaucratic requirements for certification, just fairly general guidelines; it was up to UCIRI to establish internal rules for organic production. ("UCIRI Organic Production Internal Regulations", modified, expanded and corrected various times.)

In 1987 four members of UCIRI were invited to Holland by a Dutch NGO, Solidaridad, to promote their product, organic coffee. They quickly

realized that the alternative market was not easily accessible to the general public at that time and decided that it was necessary to expand this market into the stores where the public usually purchases its groceries. The hope was that by increasing accessibility and the number of stores where fair-trade coffee was available coffee sales could be greatly increased. A small team, made up of the director of Solidaridad, Niko Roozen, and the UCIRI consultant, Francisco VanderHoff, was formed to investigate the possibilities of expanding the fair-trade market. This effort resulted in the formation of Max Havelaar in Holland in 1989, the first fair-trade initiative in the movement that now works in 17 countries under the coordination of Fair Trade Label Organization (FLO) in Bonn, Germany. Each national organization has a different name, according to the decisions of that country, and they have achieved fair-trade sales shown below:

Fair-trade Coffee Sales (in kilograms)

Country	1999	2000	2001
Trans Fair Austria	283,843	299,484	332,261
Max Havelaar Belgium	477,236	547,853	582,203
Trans Fair Canada	77,600	154,224	258,124
Max Havelaar Denmark	695,361	742,437	697,070
RKE Finland	35,600	90,648	97,000
Max Havelaar France	270,300	495,425	945,000
Trans Fair Germany	3,332,237	3,098,440	3,127,650
Fair Trade Federation GB	1,237,060	1,332,240	1,47,640
IFTN Ireland	40,490	55,000	62,000
Trans Fair Italy	353,347	398,511	457,000
Trans Fair Japan	6,200	6,600	6,569
Trans Fair Luxemburg	69,316	64,129	77,320
Max Havelaar Holland	3,185,513	3,101,923	3,104,681
Max Havelaar Norway	54,700	125,313	178,851
Max Havelaar Sweden	218,005	216,886	253,569
Max Havelaar Switzerland	1,424,584	1,381,860	1,306,415
Tran Fair USA	54,971	707,000	1,263,000
Total	11,816,363	12,817,973	14,396,353

The first phase of the fair-trade movement involved alternative markets in Europe, including export contracts with Gepa (Germany), Cooperatione Tercer Mundo (CTM, Italy) and Sacheus (Sweden). UCIRI bought a 10 percent share in Sacheus in solidarity with that company. With the formation of Max Havelaar the second phase of the fair-trade movement began.

UCIRI in the Fair-trade Network: Motivation and Reasons

What were the motives and reasons for the organization's entrance into fair-trade and what role did ideology play?

Below is a partial list of the various motives for the entrance into alternative markets and the formation of Max Havelaar:

Negative Motives

- The price that we were getting for our coffee was not enough for our families to survive.
- The banks did not want to lend us money for the coffee harvest.
- We sometimes went hungry for lack of money, and the basic necessities were not available in our communities.
- When we got sick there were no health centers or doctors.
- There was no transportation system. All transportation was accomplished by carrying goods and products ourselves or using mules on the mountain paths.
- Many towns did not have access to potable water, electricity, telephones or other forms of communication.
- The education of our children was a disaster, and teachers would be absent from school for weeks.
- Our houses were in disrepair.

Positive Motives

- To learn how the market works and to become involved professionally in it.
- To become independent of the *coyotes* (middlemen), who treated us badly, paid very little, and cheated us on coffee weights, instead dealing directly with the coffee industry.
- The price: when the farmers depended on the *coyotes* and on INMECAFE they were paid much less than the international price in the New York commodity market (which was given the nickname "the lady of the market, who never even sees that the scale is not calibrated" by the members of UCIRI). By selling directly to the coffee buyers the price was greatly improved.
- To undertake community based products supported by the increased incomes: health, community stores, improved production of basic grains and vegetables, housing improvements, construction of improved latrines and stoves.
- To create a community savings and credit bank.
- To create a training school for the organic production promoters in the communities (CEC, San José el Paraíso).

All of this came from the Assembly of Guevea de Humboldt, in March 1982, but only little by little were we able to implement the projects that were most important to us.

Contacts within the Fair-trade System

What agents or contacts contributed to the entry into the fair-trade market?

The first contacts that UCIRI made in the alternative market were, in fact, very casual and came about almost by coincidence. A friend of the consultant Francisco VanderHoff visited UCIRI in 1985, and this friend was the director of a German ATO, GEPA. He had come to Chiapas with a Dutch roaster, Hans Levelt, looking to buy organic coffee from a social group there. They were not able to get any organic coffee, but they came to visit our coffee farms and told us that with very little effort our farms could be converted to organic production. This possibility was discussed in a meeting where they were present, and they explained how the conversion from natural to organic coffee could be done. We were already producing organic coffee through neglect and only needed to implement a few simple management techniques to become certified as organic. So for us the entry into the organic world was very simple. The delegates at the assembly decided to invite an organic inspector/certifier to visit the cooperative, and only one inspector, Richard Storhas from NATURLAND in Germany, was willing to come to Chiapas and do this. After his initial visit another inspector, Bo Elakker, came and stayed with us for a few weeks and gave us many useful recommendations. In that same year our coffee was certified as organic and we were able to offer our production to GEPA and Levelt. With the help of ARIC National we were able to export 5000 bags of organic coffee in 1986, out of a total production of 10,000 bags for that year. Through the help of Francisco, who speaks Dutch, German, English, French and Italian in addition to Spanish and a little bit of Zapotec, we were able to finalize all of the contracts. That is how some of the contacts with the Alternative market were formed. We sold the rest of our coffee that year in the normal, conventional market. But we must not forget that in 1985, 1986 and part of 1987 we were able to get very good prices. The sale that was made through ARIC National, although it is an organization that we did not entirely support because it was involved with the CNC, brought very good prices that were much higher than the *coyotes* were offering at that time. We had to put up with ARIC until we had learned to prepare and sell our coffee for ourselves. The *coyotes* began to cause problems in the

region at this time, killing and otherwise giving us a hard time. But this only made the cooperative stronger.

The original expectations and how they have changed.

The initial reasons for entering into the fair-trade market (in its first stages) were:

- To have access to the coffee markets.
- To create new markets (fair-trade and organic).
- To be independent from both the large and small *coyotes*.
- To learn how to operate in the international market.
- To achieve higher incomes for the cooperative members.

At first prices were not a very big issue. Between 1985 and 1987 the prices were very high. Due to a drought in Brazil, we sold organic coffee in 1986 for up to 320 dollars per 100 pounds. During this period the most important thing for us was that we were gaining experience and learning how to operate independently in the international market. It wasn't very easy. One of the main obstacles was that we did not even have a telephone. Starting in 1986 we were able to sell the major portion of our coffee in the fair-trade market.

Annual sales in the fair-trade market since achievement of inscription

Quantities Organic Coffee Sold (1994-2002)

Year	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
Kg per gamino	821,400	747,195	908,730	671,811	880,432	930,484	897,448	948,172
Organic, export quality	616,050	552,924	672,460	497,140	660,324	697,863	673,086	694,629
Alternative Market	616,050	552,924	637,960	497,140	660,324	697,863	673,086	694,629
Conventional Organic	0	0	34,500	0	0	0	0	0

We have the data for the previous years, 1986-1993, but it is buried under kilograms of dust in our old archives. We were registered for fair-trade certification in 1989.

Fair-trade Networks

Before beginning this discussion we must define three stages in the development of the fair-trade movement that involved three different markets.

The first stage involved the establishment of Alternative Markets (ATO) in the late 1970s. These groups primarily imported handicrafts and products like honey, sesame, coffee, and tea that were distributed to their stores (Third World Stores) or to social and church groups. This phase did not involve large quantities, but it was an important accumulation of marketing experience and a process of education and awareness-raising for the general public. UCIRI made its first entrance into the fair-trade system through contacts with these ATOs.

The second stage was the establishment of a market with a seal of guarantee, starting with Max Havelaar. The increased demand from the production side for a larger market made the promotion of fair-trade products to a larger sector of consumers in developed countries essential.

A third phase is just beginning, in which the organizations establish direct contact with the coffee industry under conditions very similar to the second phase.

Actors

The most important actors that define the participation of the cooperative in the fair-trade networks are: the state, intermediaries, NGOs, FLO, ATOs, exporters and importers.

The most important actors for the coffee marketing done by UCIRI and similar organizations are:

- CTM, Comercio Terzo Mondo, Italy, an ATO, current member of the European Fair Trade Association (EFTA) and member of Transfair Italy until 2002. A client of UCIRI since 1990, they sell our organic coffee in the Italian market under our own brand, UCIRI Organic Coffee. They buy 5000 bags annually, as well as three containers of soluble coffee, produced by UCIRI in Mexico.
- GEPA, Gesellschaft und Partnerschaft, Germany, an ATO, member of Transfair Germany and EFTA wasw one of the first clients of UCIRI and its largest buyer until 1990, when it was purchasing 7000 bags annually. Since 1990 UCIRI has decided to diversify its market, since GEPA was buying 70percent of the cooperative's production; currently GEPA purchases 1000 bags annually.
- Urtekram, a member of Transfair Denmark.
- Sacheus, from Sweden, is an ATO and a member of Ratvissemarket (Transfair Sweden). UCIRI is a 15percent stakeholder in this company, and it purchases 1500 bags of organic coffee annually.
- EZA, from Austria, an ATO, is a member of EFTA and FairTrade

Austria (500 bags).
- Equal Exchange, USA, an ATO, is a member of TransFair USA and IFAT (International Federation of Alternative Traders) (1300 bags annually).
- Café Campesino, USA, Fair Trade (500 bags).
- Just Us, Canada, FairTrade Canada (350 bags).

UCIRI exports coffee to at least twelve companies, large and small roasters who are all members of FLO in at least nine countries, through the Van Weely firm.

Although the ATOs and FLO are two different markets, they do not represent a great difference for UCIRI. The prices that they pay are the same, and in both markets much depends on the relationship between the individual buyer and the cooperative. Traditionally, the majority of the ATOs that UCIRI has interacted with are also members of FLO, although CTM, for example, is no longer a part of FLO. We have learned much about how to position ourselves in the organic and specialty coffee markets from GEPA, CTM and Equal Exchange. Currently the cooperative is learning a lot from Van Weely, which is a coffee buyer for a number of FLO member roasters, and the firm Malongo, which has a long tradition in the gourmet coffee market. Although in the past many ATOs have not had coffee specialists on their staff, many are now beginning to employ on-staff experts.

UCIRI sells all of its export quality coffee in the fair-trade market, whether through ATOs or FLO, and this fair-trade coffee is sold in various supermarket chains as well.

Relationships(marketing, information, training, etc) that shape the participation of the cooperative in the fair-trade networks

One important relationship is the mutual learning through apprenticeship that takes place about the proper way to market the coffee: the permits, paperwork, import and export licenses, and the organic certification process.

It is also important to understand how to manage the first few steps in the determination of prices in the New York market, using the mechanisms of inlay and futures.

Financial organizations that offer credit and their credit process

It was a very tortuous and ever-changing process to obtain financing for the harvest and for the marketing of our coffee before we achieved a stable system through relationships with local banks. The first attempts at obtaining finance were made through loans from an alternative bank

(EDCS, Oikocredit). We took out a ten-year loan for US$500,000 with a fixed rate of 10percent annually. The final payments were made in 1997.

After the creation of Max Havelaar Holland, the cooperative was offered up-front payments of 70 percent of the value of minimum fair-trade price, paid at the beginning of the harvest, with the loans to be repaid through crediting them to the final value of the coffee sold. Credit was also received through programs from the Mexican government, such as the Fondo nacional para Empresas Sociales/Secretaria de Desarrollo Social (FONAES/SEDESOL). Currently we operate through a Mexican bank, Banamex, and a program called Fidecomiso Rural (FIRA). Through this arrangement we receive loans at the beginning of the harvest and repay them every year in July, so as to avoid increased financing costs. Each year we renew these contracts.

UCIRI also has its own funds, which are used during the harvest as well. The cooperative members are able to open savings accounts in an internal bank, FAC (Fondo de Ahorro y Crédito, Savings and Credit Fund), which provides added capital to which UCIRI has access.

Comparison of sale of coffee in the different markets in terms of price, marketing relations and market size

Starting a few years ago, UCIRI has been able to sell almost all of its export quality organic coffee in the fair-trade market, and in the national market it has well-established clients (Royal Café of Monterrey, and later Agromercados and UCIRI's own stores and cafeterias). The prices at the international level are more or less the same for all markets (some clients pay an organic premium that is higher than that mandated by FLO). The clients that are not ATOs or members of FLO in general offer prices that are equal to the prices that FLO offers. The coffee that is produced by farms that are in the process of converting to organic is also sold in the fair-trade market; this represents 10 percent of the production of the cooperative.

Changes in the relationships of actors in the fair-trade networks

Sometimes new market alternatives created or proposed by the producer organizations are not well received by the fair-trade initiatives. It is important to retrace the history of the organizational and parallel growth of the fair-trade market:

The first stage was the creation of alternative markets by such organizations as Gepa, SOS Wereldhandel (now FairTrade), Oxfam, Twin, CTM, EZA, etc. All of these organizations are still in operation. The second stage begins with the formation of FLO. It was Max Havelaar Holland that was first able to expand the market beyond the scale

achieved in the first stage. Some groups in the Alternative market have made special arrangements to be able to use FLO products in their own markets.

The third stage is in formation now, with the large companies and supermarkets. The producer organizations have entered into this negotiation with much caution. The groups that want to enter into the fair-trade market are very diverse: Starbucks, Sara Lee, Phillip Morris, the Neumann Group, Carrefour, etc. Complete confidence in all of them does not exist. For now UCIRI has only made arrangements with Carrefour to sell organic coffee in their stores with fair-trade prices (FLO). UCIRI made this contact with Carrefour during a conference on Sustainable Markets in Marseille, France. UCIRI has also opened an important new line of sales with Malongo, a roaster in southern France. They roast the coffee from UCIRI for sale in the supermarkets of Carrefour, with the same pricing conditions that FLO uses. This agreement between UCIRI, Malongo and Carrefour, and the enlargement of the market that it represents, is of great importance for UCIRI and other Mexican organizations, but it must be noted that this move has been questioned by many member organizations of FLO. The majority of fair-trade producer organizations only are able to sell a small part of their production in the fair-trade market, a market that is stagnant and not growing enough to absorb more coffee. The ATO and FLO markets are not growing very much, and in some countries are completely stagnant. The goal of capturing five percent of the national coffee market for fair-trade coffee has not been reached in any country. The highest market share so far achieved is three percent, but in most countries it has not reached even one percent; in the United States, a very large market, the share of fair-trade coffee is not even .03 percent. The largest danger is that the fair-trade price premium may be turned into a subsidy for the very low conventional market prices (on the New York commodity market, for example). It is of the utmost importance that the producer organizations search for alternatives in the conventional market without negatively affecting the ATO/FLO market.

As a founding member of Max Havelaar and FLO, UCIRI has been inscribed in the Producer Register since 1989. From 1989 to 1992 UCIRI was a member of the Administrative Council of Max Havelaar/Holland, as a representative of the producers. With time and the restructuring of the fair-trade system at the international level, the representation of the producers has been greatly reduced. Currently there are only two representatives from registered organizations on the FLO Council.

In general, the fair-trade system has not been very democratic, and for part of the history of this movement the producers did not participate

in the important decision-making processes. In the IFAT (International Federation of Alternative Trade, representing the ATOs), the producers are able to participate more effectively; UCIRI is not a member of IFAT. In practical and economic terms it is not easy to participate in all of the organizations that administer the fair-trade networks. We are urging the ATOs and FLO to work together more to simplify the situation. But it is not easy to make changes. Overcoming individual interests to form a common front is an ongoing task, with the goal of improving the market. Sometimes the ATOs and FLO are present in the same market, making competition useless.

The formal leadership role of the organization in the fair-trade networks is, broadly speaking, minimal and marginal. At the informal level, relationships of information exchange and critical discussion are maintained throughout the fair-trade system.

At the national level, the producer organizations play a much more active role in the fair-trade system in both formal ways (active and democratic representation) and informal ways through meetings, consensus building and information sharing. The creation of AGROMERCADOS has permitted the broad democratic participation of the organization in the fair-trade system.

Organization of the Cooperative with respect to participation in Fair-trade

Leadership pattern

What is the leadership pattern (formal and informal) of the organization? Are the patterns voluntary or is there competition?

The decisions related to fair-trade and the distribution of prefinancing or available credit:

At the organizational level decisions related to fair-trade are made by the board of directors and the delegates through the work of a marketing team. Prefinancing and credit are distributed through advances that are determined based on the quantity of coffee that is to be delivered to the cooperative. When the coffee in pergamino is delivered to the cooperative the producers receive an upfront payment of 60-70 percent of the current market value.

Because the credit offered by the coffee buyers is currently more expensive than that offered by local banks, UCIRI has decided to seek credit with low interest rates each year from these banks and from Mexican national government organizations like SEDESOL and FONAES.

Decision making process

Each month the General Delegates Assembly of UCIRI meets for two days to discuss important topics that affect the cooperative. This assembly is made up of two delegates from each community. Often in this assembly there is an opportunity to discuss the recent accomplishments and concerns of the fair-trade market, at both the national and international level. This information is put into the report that all the delegates receive at the end of the Assembly, and each delegate is responsible for sharing this report with all the cooperative members in his or her community at a local assembly meeting held after the General Assembly.

The board of directors has more responsibility with regard to fair-trade, and is kept more up to date by the marketing team. Members of the board also participate in the state and national meetings that deal with the fair-trade system.

Information dissemination

Each month there is a Delegates Assembly, made up of at least two representatives elected from each community, which meets for two days. One day is for study and the other for the General Assembly, in which information about the accomplishments and problems in marketing and about the different projects of the cooperative is shared. With respect to merchandising the current prices, dynamics of the market and awareness-raising in consumers are discussed. Current strategies, such as Fair Trade Mexico and Agromercados, to place more products in the market niches of fair-trade and other similar markets are also discussed. The community meetings that follow the General Assembly are held so that the community delegates can pass on the information they received in the assembly through the informational bulletins and the community technicians who are also present at the meetings.

The technicians who work for the organization, both those trained at the Farmer Education Center and others, also receive special training courses about fair-trade, so that when they are working in the communities they can reinforce the understanding among the membership about fair-trade.

The board of directors and the cooperative's advisors discuss the fair-trade market in their regular meetings as well, revising the strategy to be used to consolidate this market. Former board members and other leaders are often present at these meetings as well.

Price determination

The basic minimum price for coffee sold in the fair-trade market is 121 dollars per 100 pounds arabica coffee. An additional five dollar social premium is added for all coffee, and certified organic coffee receives an additional 15 dollar premium. The 121 dollars goes to the producers (minus operating costs), the five dollar premium goes to social projects (the nature of the projects is decided by the delegates, and usually is used locally for housing improvement projects like improved latrines and stoves), and the organic premium is divided between the organic producers and the organic production programs of the cooperative, which include the CEC (Farmer Education Center) and technical assistance programs.

Changes in the distribution of the price premium

In the past ten years there have been no changes in the distribution of premiums. Each year in January the Programming and Budget Assembly is held, and here it is decided what type of projects can be supported with the price premiums. The amount of the premium is never enough to cover the proposed projects, and for this reason resources are also obtained from government programs for some projects, including garden, store and construction projects.

Opportunities and Requirements for New Members

Between the first of April and the end of May new members may join the cooperative. This time frame is stipulated because the new members must meet organic certification requirements before the beginning of the harvest. The members in each community explain the conditions and assist with the paperwork for the new members, and let the technical team know that they are expanding. There are ten requirements, including both rights and obligations:

Basic Rules of UCIRI

"Our organization is open to all farmers that want to work to improve their quality of life and that are dedicated to making the principles and criteria of the cooperative their own."

Membership Requirements for UCIRI

- Must be active members
- Must attend the monthly meetings and the training courses in the town of Lachiviza or at the CEC
- Must refrain from alcoholic beverages at the assembly meetings and when in town on cooperative business

- Must be completely honest
- Cannot be *coyotes*, do not buy or sell other farmers' coffee.
- Cannot bring coffee to cooperative from any farm but their own, not even from the farm of a brother, uncle or friend
- Do not belong to other organizations where they have responsibilities
- Must be an "authentic peasant", *auténtico campesino*
- Must not be opportunistic, must stick with the cooperative through the good and the bad
- A member that has been expelled from the cooperative for misconduct may not be readmitted
- May not plant marijuana or other drugs, or be involved in drug trafficking in any way
- Cannot own a bar or tavern
- May not use chemical fertilizers or pesticides
- Must commit themselves from the beginning of the harvest to prepare their own organic fertilizer
- Must promise to put into practice any recommendations made by the technicians
- Must be prepared to serve others in the areas where they are assigned
- Must accept the objectives of UCIRI, which is not solely concerned with coffee, but with the fight for life, including health, housing, organic production, schools, families and communities
- All new members must sign an agreement with the cooperative and request technical assistance and an initial visit in order to enter the organic production program. In accordance with the General Assembly, all new members must pay 2,800 *pesos* for the establishment of an account which forms the basis for the new members' access to credit and other types of assistance. The new members have five years to fill this requirement
- When an entire community wants to join the cooperative at the same time, the board visits the community and talks with the perspective members to evaluate why they want to join UCIRI. The board members also explain the rules of the cooperative. In the General Assembly all new membership petitions are considered, and a list of approved individual and community memberships is agreed upon.

Certification and Quality Systems

What has the organization done to acquire and maintain its fair-trade certification? What changes have been made to fulfil the fair-trade requirements? What problems has it had with certification?

We have had no problems with the certification process as carried out by the FLO inspectors. We appreciate the opportunity the visits give us to explain where we are and what difficulties we are having. There have been few great changes required of us to remain in the FLO market. We do have some problems with the certification system of FLO: there are no clear and punctual criteria that are sufficient for simple inspection. The producer organizations also have had no voice in the formulation of the certification process, although they are the ones that have to deal with the criteria that are decided. For this reason UCIRI has developed its own set of standards for admission, organic production, and quality control. Because the standards of FLO lack transparency and credibility, the inspection often depends much on the inspector and how he or she goes about the inspection. We have never received any feedback from the inspection that would allow us to make improvements or changes to facilitate the inspection process. Our experiences with the inspection process for organic certification have taught us much about how inspections can be more objective and transparent. We know that FLO and IFAT are working to improve their systems. In Mexico, CERTIMEX (the organization for control and certification of organic production) includes fair-trade standards in its inspections, so that only a single inspection is needed for both certifications. But this is only an advantage for organizations that are in both markets, fair-trade and organic.

The relationship between fair-trade and other markets

From the beginning UCIRI has emphasized the importance of organic production and of the quality of the product, always working to improve quality over time. Our experiences in the Alternative market helped us to enter into the fair-trade market (Max Havelaar, FLO). We are currently working to establish direct sales to the industry, in this case with the supermarket chain Carrefour. Although we do produce shade coffee, we have not entered into this specialty market, which is most prominent in the United States. The certification processes for organic and fair-trade are parallel and could easily be consolidated into one inspection. IFOAM and FLO could merge their certification standards so that inspections could be done that would complement the requirements of both systems. This unification of systems is only possible for organic producers, but it

would be beneficial because the majority of fair-trade certified coffee is also organic.

The relationship between fair-trade certification and quality

Until very recently the inspection and certification for the fair-trade market did not take into account quality considerations. But now the market is demanding quality, and organizations like UCIRI have instituted technical assistance programs that improve quality from harvest through the processing of the bean. It is for this reason that UCIRI began a sustainable coffee program six years ago. Through the renewal of coffee plantations, the increased diversity of shade trees and technology renewal (providing tools, solar driers, and electronic graders for the producers) the improvement of quality has been facilitated.

To give the producers an incentive to improve quality, a system has been established that grades the coffee by quality and pays higher prices for higher quality. There is a difference of 50 cents per kilogram between one grade and the next.

Views of the producers about fair-trade.

"For us it means we can sell our coffee at a good price. It allows us to have a good income, which permits us to survive where we choose to live [the rural villages]."

"It is where we export our products, like coffee, and they pay us a more considerate price that the others do."

"It is a close relationship between the producer and the consumer, where the producer offers a quality product and the consumer pays a just price to improve the living conditions of the small producers."

"It is a market where the interaction is beneficial for both sides. For the producer, the sale of coffee is able to pay for the labour put into it, and the consumer is able to buy a high quality coffee that has been well cared for [in its production]."

"It is the promotion of products from small farmers that, whether in regional, national, or international markets offers more just commercial conditions that allow the producer to receive a dignified income and the consumer a quality product."

"Fair-trade is where we as producers sell our product and they sell it as the coffee produced by small farmers."

Differences producers see between the networks of fair-trade and the markets for conventional, organic, shade-grown and direct sale coffee

1. What differences do you see between the fair-trade and conventional markets?

In fair-trade family incomes are improved while at the same time a quality product is offered to consumers.

With fair-trade there is a more just payment for the products, and in the conventional market products produced using chemicals are sold by the large capitalist and plantation owners.

In conventional production agrochemicals are used, and in fair-trade only organic production is used.

The differences are in the quality of the product – in fair-trade a higher quality product is offered and in conventional production the quality of the product is not guaranteed.

In fair-trade there are higher quality products and in the conventional market the produce is contaminated and at the same time sold at lower prices.

In the conventional market it is the intermediaries and industrialists that make higher profits. In fair-trade, a balance between those who produce and those who consume is established; the marketing is more direct and there are no intermediaries.

2. What differences do you see between fair-trade and the organic market?

There is no difference, because the products sold in the fair-trade market also have to be organic, they both mean a higher price for the product.

There is a price difference because a fair-trade product gets a price of 121 dollars for 100 pounds of coffee, while if it is organic coffee a premium of 15 dollars is offered for working in harmony with nature.

The difference is that to produce organically means more work, which is rewarded with a price premium.

3. What differences do you see between fair-trade and the shade-grown coffee market?

Some producers did not answer this question because they do not know about shade-grown coffee.

In the shade-grown market there is a relationship between producers in that that we conserve and increase the diversity of shade species.

Fair-trade offers stable prices and shade-grown coffee also offers incentives to the small producers who maintain diversity in their coffee shade trees, so that the coffee fields can serve as a habitat for migratory birds.

4. What differences do you see between fair-trade and the direct sale of coffee?

In the fair-trade market all purchases and sales are made directly to the consumers; there are no intermediaries, and there is a direct producer-consumer interaction. In this way a better price is obtained for the product.

The network of direct sales functions through intermediaries who buy our coffee, and they sell it to others and these to others still, until it arrives to the consumer and the prices are lower.

In fair-trade the incomes we receive are favourable, while for direct sales the price is lower and the sale is through intermediaries.

Benefits for the producers, their families, organizations and communities. The principal benefits are:

- More direct access to the coffee market
- Creation of individual marketing channels (Max Havelaar, FairTrade, Carrefour, Fair Trade Mexico, etc.)
- Improved quality, organic production, and collaboration in the creation of CERTIMEX, the Mexican certifying agency
- Higher and more stable incomes than are achieved through traditional markets
- Access to credit through banks and credit funds, and the ability to negotiate with local, regional and national authorities
- The development of alternative service projects (in health, housing, transportation, etc.)
- Infrastructure improvements, including local and central warehouses, processing plants and preserves and textile factories
- Improved transportation through a public bus service.
- Distribution of basic household necessities (Trabajo Comun Oragizado, TCO)
- The organization is able to negotiate more effectively and forcefully with other organizations
- The creation of organized projects for women and youth
- The creation of a training and education center (CEC)
- The creation of organizational networks and the participation in regional, national and international forums
- The training of cooperative members benefits the communities as well as the organization: various members have served as president of their municipality
- The campaign against local *coyotes* has been successful and all members are able to market their coffee without using

intermediaries
- The recuperation of pride in being indigenous, not in a romantic way but as ancient residents of their land and country
- The creation of technical teams that assist the coop members in production, organization and administration.

Social and economic benefit for producer families

In spite of the increased incomes achieved through the sale of fair-trade coffee, it cannot be said that these incomes are adequate to secure the survival of the families of producers. Access to education in the zone of influence of the cooperative is very poor and inadequate. The standard of living has improved, and there are no indications of extreme misery among the member families, although poverty still persists.

In the past two years the income received from coffee has decreased considerably. The income received from fair-trade sales is not sufficient, and in part the premiums become a subsidy for the coffee that is sold in the traditional market.

To invest in activities not directly related to coffee production, the cooperative has to look for funds from federal government programs which offer credit with very low or no interest rates.

The services provided throughout the 20 year history of UCIRI are extensive:

- Public transportation service
- The CEC school
- TCO, organized work group
- Community basic foodstuffs and necessities stores
- House improvements for many members (improved latrines and stoves, adequate roofs, cement floors, etc.)
- Medical and dental clinics
- Creation of employment (in the clothing and preserves factories).
- Cleaner and improved natural environment.

UCIRI made organic production its official policy. In 1985 the delegates decided to change from traditional to organic agriculture. Beginning in 1986, the majority of members were inspected and certified as organic. UCIRI is actively participating in national and international organizations that promote organic agriculture, and the cooperative is a co-founder of the Mexican Sustainable Coffee Council.

The Fair-Trade Network: Problems and Solutions

Problems

We have encountered various problems with the fair-trade system, although they are mostly of little importance. Some examples:

- Late payments from clients both in the Alternative market and in FLO
- Lack of communication with the representatives of the fair-trade market (FLO)
- Decisions made without input from the producer organizations.
- For some time there was no democratic participation in the system, which has only recently been partially resolved. There is a pyramid decision-making structure, where the top often does not communicate with the base
- The fair-trade market lacks flexibility because a true alternative market has not been promoted or consolidated. There is a danger that the fair-trade seal will just become another brand in the market.

Solutions

Through pressure we have been able to get our clients in the fair-trade market to finally pay their debts (after five months!). Now the relationships have improved considerably because more direct communication with the importers has been created. Communication with FLO has improved substantially.

The producers take part in discussions about policy in the fair-trade market more often. The problems have not greatly affected the organization, but rather the producers through loss of confidence in the organization.

The Weaknesses of the Fair-trade System

Growth in the fair-trade market is slow, and in some large countries it is still insignificant or has stagnated and is not growing at all. This is the greatest weakness, and it creates tension within the organizations that are starting to compete with one another. For this reason we are attempting to create a single market for the Mexican organizations to use to sell their fair-trade coffee.

Through its active participation in the founding, growth and regulation of the fair-trade market, UCIRI has gained enough valuable experience to permit it to negotiate in the traditional coffee industry. This has resulted in sales contracts in the conventional market for organic coffee under conditions very similar to the fair-trade market.

An economic principle: the integral calculation of costs.

We have been little by little defining the concept of Fair Trade. There are three components that need to be developed further.

Fair Trade means efficient production and marketing from an economic point of view: the efficient production of a high quality product is primary. With respect to the relation between price and quality, Fair Trade should conform itself to the market.

Behind these words there is a reality that is more difficult, given that the market is unbending and rigid. It is unyielding when confronted with a product that does not meet the quality demanded by the market or that is produced at a cost that is too high. As in the case of Fair Trade, what makes a client choose a particular product to purchase is a flavourful cup of coffee, a well ripened banana or pants that fit perfectly. A high quality product is one of the basic conditions to be able to compete in the market. Closely related to the quality issue is the price that must be paid to receive a certain quality. The relation between the price and the quality is a determining factor. The price should be competitive with respect to other brands. This means that the producer constantly feels the pressure of the market. In the permanent process of productivity growth, technological innovation, and restructuring, the market always pushes towards the lowest price. The producer must be constantly analyzing her or his production process, looking for possibilities of producing a better product at a lower price; this is more important still if the international market demands it.

The Fair Trade movement seeks more favourable commercial conditions for the producers, and part of this is the attempt to provide improved access to financial assistance for investment in the development of a higher quality product. Making new technologies available, along with the facilitation of the exchange of experiences between producers, are important functions that the network of Fair Trade initiatives has been constructing. International development organizations can be very useful in this respect, especially when they work towards strengthening the position of small or marginalized producers. In this case, financial and technical assistance is aimed at eliminating the deficiencies in productivity and efficiency from which production suffers.

The requirement for a more efficient production is also valid with respect to the marketing of products in the consumer market. The Fair Trade movement will have to offer a marketing structure that permits transaction costs to be minimized. Inefficiency in this area will result in increased costs and finally in the loss of market share.

Fair Trade is sustainable production from a social point of view: this second component in the definition of Fair Trade refers to the integration of the real costs of production. In this regard Fair Trade introduces an important correction in the market reality.

The costs of a socially responsible production are included in the price of the product in the Fair Trade market. The competitiveness of a product does not depend on the level of exploitation that goes into the production of the product.

The market is situated in a context that allows the price of labour to be determined. This means, in the first place, that the right of the workers to organize themselves is recognized. The fact that the struggle for the right to organize still provokes much resistance in many parts of the world emphasizes the importance of this right. Real work conditions should be determined through negotiations with unions, even in situations of conflict, if need be. The cost of a collective labour agreement forms part of the true costs of the product.

Fair Trade is sustainable production from an ecological point of view: this third component refers to the incorporation of environmental expenses of production. Here also Fair Trade introduces a fundamental correction to the current practices of the market economy.

The costs of a production that respects the environment are expressed in the final cost of the product. Competitiveness is not achieved at the expense of the environment.

There are five elements relevant to the agronomic aspect of Fair Trade production: the costs of biodiversity conservation; the prevention of erosion and water contamination; the control, reduction and eventual prevention of the use of pesticides and chemical fertilizers; and, finally, the reduction, recycling or conversion of organic wastes to compost. Although some of these elements are also applicable to the industrial sector, it is important to interpret them based on the particularities of each case.

Summary

Fair Trade is a commercial practice based on economic efficiency, and social and ecological sustainability. The integrated price is the tool that is required for the realization of these standards. Based on this analysis, Fair Trade is consistent with the relevant economic laws.

It is also important to explain what Fair Trade is not. A list of common misunderstandings follows:

- Fair Trade is not *development aid*, not even in its best possible form

- Fair Trade does not *disturb* the market by offering artificial commercial conditions
- Fair Trade does not replace the businessman with the *preacher*.
- Fair Trade is not a *capitulation* to the ideology of the market
- Fair Trade does not maintain inefficient production in the market by offering a *protected market*
- Fair Trade is not limited to *disadvantaged producers* whose marginalized position justifies *price protections*
- Conceptually, Fair Trade does not represent a *niche market*
- Fair Trade anticipates a sustainable economy, not only an effective economy but also one that is sustainable from a social and ecological point of view. The social and ecological aspects of production are defined and focused in their economic dimension. Precautionary measures have become fundamental for the survival of humanity, the environment, and with them the economy as well. The economic costs of the impoverishment and marginalization of the majority of the world's population are always increasing. The conversion to a sustainable economy is urgent, and our concern should extend to the whole global economy. There can be no more delays in the integration of social and economic costs. There are only two options: a sustainable economy or no economy
- Fair Trade makes use of consumer choice to implement the integration of the social and ecological components into world economic policy. Consumers now can choose products whose prices represent the real cost of their production. In this way a partial market is formed whose structure is more advanced than the conventional market. The Fair Trade movement should deliberately seek confrontation with the dominant market. Our objective of sustainable production is not limited to a small part of the world. We want to see Douwe Egberts, Chiquita, Levi's and Nike moving towards a sustainable production as well
- A Sustainable Market: If Fair Trade is conceived as a model that is going to provide the basis for the complete restructuring of the market as a whole, it must be asked if a model based on consumer power has enough potential to accomplish such a radical change. Could it be that the power of the consumer is being overestimated?

In the final analysis, the volume and economic impact of the Fair Trade market depends on the number of consumers who consciously choose to

buy "clean" products. Up to this moment, this segment of the market has been quite modest, too modest to have much influence outside of its out area. With market shares ranging from three percent in Holland to eight percent in Switzerland, Max Havelaar is too limited to pressure the large coffee corporations to implement Fair Trade elements in their businesses, even if it were only to prevent the future expansion of "just" coffee. Fair Trade bananas, on the other hand, have a greater chance of success. The market share that Fair Trade enjoys in this product is much greater; and it seems to be increasing as well. There is no doubt that the results would be even better if it were not for the restrictions caused by European regulation of this product. Switzerland is a promising example, with a 15 percent market share for Fair Trade and ecological bananas. It is possible that, in a reasonably short time, the market for Fair Trade bananas in Switzerland could reach a 30 percent share of the total market. If this happens it is inevitable that much attention will be given to Fair Trade by the conventional market. Neither Chiquita nor Dole will be able to continue ignoring this new competitor in the market. Dole is investing in the "biological" production of bananas and at the same time investigating the possibility of a social certification for its bananas based on the Social Accountability Initiative (SAI) program. Chiquita has developed a program to improve its bananas, introducing a series of social and ecological production improvements. As a consequence of this process, Chiquita has for the first time accepted an increase in costs. The modest character of this increase – only $0.10 per kilo of bananas.– demonstrates the limited character of the changes made. However, the important issue is that this small change represents a radical change in the corporation's policy. As far as the introduction of the new brand Kuyichi, it is not known how much it will be able to influence change in the status quo. Like all the rest of these changes, the influence of this change will depend largely on how much of the market the new brand can conquer.

Although the complete potential of the Fair Trade movement has not been realized yet, it is evident that the support of the conscientious consumer will not be enough to achieve a sustainable economy.

Fortunately we do not depend solely on this model. There are other sectors of civil society which will be able to play an important role as well. The labor unions form a central force in the struggle for more humane working conditions. The groups that can make human rights a priority are the NGOs; they must exert pressure on governments so that human rights are included in the legislation, judicial system and codes of conduct that govern labor conditions. Environmental NGOs also can exert pressure on governments, industry and commerce so that more responsible environmental policies can be put in place. In this context,

Fair Trade is only one of a wide range of tools that can make social and environmental sustainability an important issue. Thanks to the contributions of all these organizations, an important theme of conversation in today's world is how to conduct business with a sense of social responsibility. It is clear that social organizations should intensify their work so that social issues come to be one of the fundamental considerations in economics.

The pyramid (below) is from a recent document used for internal training by one of the most important supermarket chains in Holland. According to this document there is no doubt that the producer-consumer chain represented by this pyramid will be realized. As for the different development phases shown in the figure, it is confirmed that the integration of social and environmental aspects into the market has begun.

The Fair Trade Market and New Markets

After ten years of the Max Havelaar/Transfair market, new markets, some incipient and others more advanced, are emerging under conditions that are the same or similar to FLO. In general, they are not using certification seals or relying directly on the FLO system. This is a new development but is related to the history of the current FLO participants (producers, distributors, and industry).

Before moving on we must recount in part the history of the FLO market. When the representatives of UCIRI travelled to Holland in 1987 with the goal of proposing an alternative market with more direct connection to the consumers, there were three possibilities:

A company owned by the producers that would import, process and distribute coffee in the European market. This project would have required considerable funds to achieve a significant position in the market, and we didn't have a cent!

An open discussion with the coffee industry to invite them to buy a minimum of 12 percent of their coffee directly from small producers under conditions that would incorporate in the price not only the costs of production but also the social costs and, in the case of organic production, the environmental costs. There were long, intense and heated discussions that did not go anywhere at the time.

The third option, parallel to the first two, was the development of a model that used a seal of guarantee; this resulted in the formation of Max Havelaar in Holland and later in other countries under different names. Max Havelaar was going to control the nature of the product through a guarantee seal, prices, quantities and above all else the product's origin from small organized producers. This system is functioning now with varying degrees of success in 17 countries, coordinated by FLO.

Recent developments in the coffee industry demonstrate that option number two is resurfacing under slightly different conditions. Large corporations are attempting to buy coffee, mostly organic, with more or less the same conditions as FLO. This is not just a discussion in the FAO: at this point the IFOAM is leading a serious effort to create criteria for the organic market that would incorporate social and environmental costs into the final cost of the organic product. It was a long process, and now new labour and commercial codes are being implemented. The corporations are making their own rules.

These new efforts are challenges that we cannot ignore or attack as deceptive inventions by the large corporations. It is of the utmost importance that small producer organizations keep up-to-date on these developments and that they begin open and healthy dialogues about these new market trends. These trends cannot be understood independently of the work of all the participating organizations of FLO. The fruits of the Fair Trade movement are broader than the defence of the seal, although it continues being very important for the moment.

In fact, a market is emerging where important elements of production and marketing are coming together in a sustainable system: Organic production, certified with an "organic" seal or the equivalent.

Quality production, which is determined by the market and which the producers take very seriously in order to maintain or improve their position in the market.

Shade-grown coffee and the production of coffee that is friendly to birds and other animals that share their habitat with the production of coffee.

Fair Trade integrates production costs. Costs already mentioned, such as the social costs for the producer, the costs of improving the environment and the investments necessary for the improvement of

quality and homogeneity of the coffee. The FLO system is an important segment and a point of reference (under Fair Trade conditions, with or without the certification of the system) in this chain, but a part of the industry is also interested in this system. The motivation behind this interest is not the same for all: some see it as a way to improve their image and others see it as good in and of itself.

At this time producers are faced with a long period of prices significantly below the cost of production. There is a great risk that the prices that Fair Trade offers will become a subsidy for low prices. If 25 percent of production is sold in the Fair Trade market and the remainder in the conventional market, the final price for 100 pounds of coffee is US$67.60. With 50 percent of production sold in Fair Trade, the price would be US$94.30 per 100 pounds. But the Fair Trade market has not developed in such a way as to allow the producer organizations to sell 50 percent of their production in the market.

For this reason it is essential that the organizations look for new markets. One of these markets is the sustainable market, as mentioned above. The pricing conditions that the organizations are proposing and defending are the same as those in the Fair Trade system, but the labelling and marketing refers to "sustainable coffee" instead of Fair Trade coffee.[3]

Five conditions for sustainable production in general and for the production of coffee in particular.

All forms of economy should be required to maintain, in an ecologically sustainable manner, an acceptable standard of living for all of this earth's inhabitants. This includes the promise of reasonable employment, security with regard to the material standards of living for all families, community viability, and environmental conservation. Economic policies can be designed that meet these goals based on the principles of sustainability, democracy, equality, and efficiency.

1. Environmental Conservation. The environment is being continually more and more degraded. We are playing the violin while Rome is in flames. If the current conditions continue, we may find ourselves in a position where it is too late to save the earth from ecological deterioration. It does not work now, nor is it going to work in the future, to continue trusting in current market mechanisms, as the majority of economists prefer. If we continue contaminating and exploiting the planet today, our children and grandchildren, who have no voice in

[3] See Francisco VanderHoff Boersma UCIRI, Mexico, March 2002/July 2002

today's decisions, will have to deal with the consequences. Nor can we presume that the needed environmental regulations will be without cost. We cannot maintain the separation of the economy and the environment in our thinking. Neither life nor liberty nor happiness is possible in a sick and agonized world.

2. *The democratic control of the economy*. Money is the principle that dictates economic decisions. This is true for the corporations that relocate their factories in an instant while forgetting about the communities where they are operating. It is true that with its purchases and financing charges the financial sector rapidly destroys productive companies while the corrupt people who are responsible escape without punishment. And it is now common for the rich and powerful to purchase politicians so that they promote an economic policy in their favour. "Money talks" is no longer a scandalous principle for the simple reason that it is effective. The influence of the labour unions has almost completely been eliminated. In spite of all these concessions, economic performance continues to worsen. If the economy is to serve the people, it must be controlled by the people.

3. *Egalitarianism.* The economy, in general, is based on a structure of hierarchy and inequality. In the labour market, the arbitrariness of rapidly changing models of employment has created new sources of inequality and insecurity through the reduction of salaries or work hours. The global distribution of wealth and resources greatly favours the industrialized North, which has a much higher standard of living than the South. These poor countries have been net exporters of capital for more than a decade, causing incalculable misery and degradation among the poor. This cannot be called a sustainable economy.

In the end we all lose from these inequalities. We believe that a truly sustainable economic policy should have as its highest priority the elimination of inequalities.

4. *Efficiency.* Another element of a sustainable economy is efficiency. The Keynesian theory of the large government that redistributes the benefits of growth is no longer credible. We need to abandon the old equivalency of efficiency and equality for a new vision of economic activity. We should begin to restore the natural environment instead of plundering and destroying it. We need to promote a new commercial paradigm that is based on responsible, flexible, and current participation in the economic and social spheres. We have to identify and articulate new forms of efficiency that will truly make work itself a democratic and economic act. We need a more democratic control of government expenditures and a re-regulation of the financial sector. We need to resolve our current social problems in a cost-effective way.

5. Freedom. In these new times and circumstances there exists an urgent demand for the reconsideration of the freedoms that have been granted to the market, including the social and cultural implications these freedoms have for agrarian policies. The dominant neo-liberal model of the market speaks religiously of the concept and ideal of freedom. Liberalism is a catchphrase that takes in all measures that are supposedly favourable for the free market. The problem is that the rules of the market have been changed but the freedom of the market has not been increased. A truly free market is necessary for the creation of a sustainable coffee and agricultural economy. Freedom can only exist in a sustainable form when there is complete respect for the freedom of others. The current resistance to neo-liberalism is not only an internal criticism that asks the question: for whom is there sufficient freedom and for whom is there not? Mutuality is essential. There is a price to be paid for continuing present arrangements, and it is not just a political one but one that is also economic, cultural, and social.

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Responsibility in the Private Sector

Ray Andersen[*]

While you tune your ears to my way of talking, let me begin with a story: Two women met in line at the Pearly Gates. Said Mary to Nancy, "How did you get here"? Replied Nancy, "It was very, very cold; I went to sleep and froze to death. What about you?" Said Mary, "I came home unexpectedly, sure I would find my husband with another woman. I burst into the living room, but there he sat calmly reading the paper, smoking his pipe. I rushed upstairs and looked in every room; under the beds, in the closets. I ran downstairs, looked in every room, went into the garage, looked under the cars, in the tool shed; rushed back inside, downstairs to the cellar, back upstairs, and I had a heart attack on the stairs and died. So, here I am." "A pity", said Nancy. "If you had just opened the freezer door first. . . ".

My assignment today is to open the right door and give you a timely glimpse of the future, as I see it. I shall focus my comments on my personal interpretation of two long term trends, which, as they unfold into the future, will most likely determine the fate of humankind on the earth.

You should first understand that I speak as an industrialist, some would say a radical industrialist, but as competitive as anyone you know and as profit minded. So, before I give you my point of view on the future of humankind, maybe you would like to know how I—an industrialist—came to have a point of view on this lofty subject.

If you will, follow me in your imagination for a few minutes. You are 60 years old. (That may be easier for some than others.) The company you founded when you were 38 is now 21+ years old. Amazingly, it survived start-up from absolute scratch—a green field start-up from just an idea for a new product. You remember vividly that day in your start-up year, in the teeth of a recession, when your factory had been built and equipped, your initial work force hired and trained, raw materials bought and paid for, products developed, and there was not a single order on the books. You learned that day, indelibly, the value of the customer—the source of the next order, the next heart-beat, without which *everything* would be lost.

But, now, in your 61st year the business has succeeded beyond anybody's wildest dreams. At age 21, it is a public company, doing

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business in 100 countries, with manufacturing on four continents. It has come through three major recessions, including that start-up recession, and is on its third leg up. Sales are approaching a billion dollars a year. It (and you) are a success by anybody's standard definition of success.

Furthermore, you have put a succession plan in effect. The next generation of management is in place and battle-tested; they have brought your company through the recent recession. At age 60, where do your thoughts turn? To retirement in the mountains, to the sea shore? To chasing a little white ball? To travel and leisure?

Some one has said that, "Everybody has just one story to tell, her or his own story." I have just given you a brief excerpt from my story. That's where I was 11 years ago. What I haven't told you, yet, is what else was going on the summer of 1994.

The birthing of a new company from scratch had been a frightening experience, especially when one's life savings had been at risk and one's two daughters had been teenagers, the older just two years away from college; and one had left the security of a perfectly good job with a perfectly good company to "bet the farm" on this new product idea. You can appreciate, one would have developed a very special attachment to this "third child" (after one's two natural daughters). And one would care a great deal about what this child would grow up to be. Very naturally, a sense of legacy would be working away in one's subconscious, if not one's conscious, mind, in the summer of one's 61st year.

How then would you, in this position, have reacted if you had begun to hear through your sales force a strange, new question from your customers (to whom you had learned to listen very carefully 20 years before, looking at that empty order book)? The question: "What is Interface doing for the environment"? How would you have responded if you had begun to hear about requests for bid quotations that asked your company to state its environmental policies when it competed for business? What would you have said if a report had come to you through one of your top sales managers that a certain environmental consultant to a certain major customer had said, "Interface just doesn't get it"! And that piece of business was slipping away.

Do you know what *I* said? "Interface doesn't get *what*"? (Rather confirming the consultant's comment.)

If you have been following in your imagination that 21 year preamble, you may now be able to identify with me when two of my managers approach me with the assertion that our sales force is begging for answers. What *are* we doing for the environment? What *are* our environmental policies? And they suggest convening a new task force of

people from our businesses around the world to assess our company's environmental practices, to begin to frame some answers.

"That sounds good to me", I say. "Go for it". Then the show stopper: They say, "We want you to address the new task force, give it a kick-off speech, and launch it with your environmental vision." What? What environmental vision? In my whole life, I have never given one thought to what I or my company are taking from the earth or doing to the earth. I do not have an environmental vision. I do not want to make that speech. I cannot get beyond, "We obey the law. Comply." So, I drag my feet, but they stay on my case. Finally, I relent and agree to speak. The date is set: August 31, 1994.

Come the middle of August, I have not a clue as to what to say, but I know "Comply" is not a vision. I am sweating. It is a propitious moment.

At that very moment, a book lands on my desk. It has come by a circuitous route. A young woman in Seattle, working for the State of Washington's Environmental Protection Department, hears a guy speak, likes what he has to say, and buys his book. After reading it, she sends it to her mother, a sales manager for a carpet tile company who has had to endure and relay the message, "Interface just doesn't get it", and has also had to choke on her CEO's response, "Interface doesn't get what"? The book is about *"What"*; she sends it to her CEO, me, and it lands on my desk at that propitious moment. It is entitled, "The Ecology of Commerce". Its author is Paul Hawken. I've never heard of him.

It is pure serendipity. Without a clue as to what is in it, I start to thumb it. On page 19, I come to an arresting chapter heading, "The Death of Birth". I begin to read. On page 25, I find the full meaning of the chapter heading, and encounter four terms I have never before heard mentioned together in one paragraph: carrying capacity, overshoot, collapse, and extinction, i.e., the death of birth. Species disappearing never ever to be born again. I read:

"A haunting and oft-cited case of overshoot took place on St. Matthew Island in the Bering Sea in 1944 when 29 reindeer were imported. Specialist had calculated that the island could support 13 to 18 reindeer per square mile, or a total population of between 1,600 and 2,300 animals. By 1957 (13 years), the population was 1,350; but by 1963 (6 years), with no natural controls or predators, the population had exploded to 6,000. The scientists double-checked. The original calculations had been correct; this number vastly exceeded carrying capacity, and sure enough, the population was soon decimated by disease and starvation. Such a drastic overshoot, however, did *not* lead to destablization at a lower level, with just the "extra" reindeer dying off. Instead, the entire habitat was so damaged by the overshoot that the

number of reindeer fell drastically below the original carrying capacity, and by 1966 (just three years later) there were only 42 reindeer alive on St. Matthew Island. The difference between ruminants and ourselves is that the resources used by the reindeer were grasses, trees, and shrubs and they eventually return, whereas many of the resources we are exploiting will not."

Reading this for the first time nearly 11 years ago, I *knew* it was a metaphor for the earth and humankind. It was an epiphanal moment, a spear in the chest.

I read on and was dumbfounded by how much I did not know about the environment, and the impacts of the industrial system on the environment—the industrial system of which I and my "successful" company were an integral part. A new definition of success burst into my consciousness, and the latent sense of legacy asserted itself. I got it. I was a plunderer of Earth, and *that* is not the legacy one wants to leave behind. I wept.

Hawken made the central point of his book in three parts: 1) The living systems and the life support systems of Earth are in decline; we are degrading the biosphere; unchecked, it will continue to decline and we will lose the biosphere. It contains and supports all of life. 2) The biggest culprit in this decline is the industrial system—the linear, take-make-waste industrial system, driven by fossil fuel-derived energy, wasteful and abusive. 3) The only institution on Earth that is large enough, powerful enough, wealthy enough, pervasive enough, influential enough to lead humankind out of the mess it is making for itself is the same institution that is doing the most damage, the institution of business and industry—my institution, for most of you, your institution.

I took that message to heart and made that speech, drawing shamelessly on Hawken's materials. I challenged that tiny gathering of people, only about 16-17, to lead our company to sustainability—which we defined as eventually operating our petro-intensive company (energy and materials) in such a way as to take nothing from the earth that is not naturally and rapidly renewable—not another fresh drop of oil—and to do no harm to the biosphere. I just stunned that little group, and shocked myself with this challenge, and found for myself a whole new purpose in life—in my 61st year. I simply said, "Unless somebody leads nobody will. Why not us?"

For nearly 11 years, now, we have been on this mission; we call it, "climbing Mt. Sustainability", a mountain higher than Everest, to meet at that point at the top that symbolizes zero footprint—zero environmental impact. Sustainable: taking nothing, doing no harm. I have told that story in far greater detail in the book I published in 1998, entitled "Mid-Course

Correction". Its title is intended to represent my own personal mid-course correction, my company's, and the one I would wish for humankind. And especially its industrial system. And especially its industrial system, and a component of it that is dear to many of us: the built environment. Today, I would praise Paul Hawken's third point differently: unless business and industry come aboard, our descendants will inherit a hellish world.

And, the amazing thing is, this initiative has been incredibly good for business! What started out as the right thing to do quickly became clearly the smart thing, as well. First, we are leaner; our costs are down, not up. Cost saving from eliminating waste alone, the first face of the mountain, have been $262 million. Second, our products are better than they have ever been, because sustainability, leading us to Biomimicry has proven to be an unimagined source of inspiration and innovation.

Third, our people are galvanized around a higher purpose. Maslow had it right in his hierarchy of human needs: self-actualization is at the top, and that translates into higher purpose. (By the way, there is no more strategic issue for a company, or any organization, than its ultimate purpose. For those who think business exists to make a profit, I suggest they think again. Business makes a profit to exist. Surely it must exist for some higher, nobler purpose than that.) Fourth, to round out the business case, the goodwill of the market place has been astounding! No amount of advertising could have generated as much, or contributed as much to the top line—to winning business. To our customers: Thank you! Believe me, we do not take it for granted. Good will is earned today. And this we promise, never knowingly to foist an inferior product on you in the name of sustainability.

During the last five years, those four advantages—costs, products, people, goodwill—have been the salvation of Interface during a recession that saw our primary marketplace shrink by 38 percent from peak to trough—38 percent! As a heavily leveraged company with over $400 million in debt, we might not have made it without the sustainability initiative and, especially, the support of our customers. This revised definition of success—this new paradigm—has a name: "Doing well by doing good". It is a better way to bigger profits.

How are we doing on this environmental side? Here are some metrics, comparing 2004 with our baseline year 1994:

- Waste – US $262 Million (cumulatively), more than paying for the entire mountain climb.
- Net GHG Emissions – 52 percent (absolute tonnage) (35 percent, efficiencies and renewable; 17 percent, Off-sets)

- Non-Renewable, fossil energy (carpet operations), – 43 percent (relative to sales)
- Water usage, – 66 percent (relative to sales)
- Smokestacks, – 40 percent closed
- Effluent pipes, – 53 percent abandoned
- Trees for Travel, >52,000 planted (off-setting 78 + million passenger miles)
- Scrap to the landfill, – 80 percent, and
- 66 million lbs. of material diverted from landfills/incinerators by ReEntry® (collecting and recycling used products)
- Our customers can now buy "Cool Carpet®"
- No net contribution to global warming throughout its life cycle, with independent, third party verification.

Today, this reduced environmental foot print is reflected in every single product we make anywhere in the world; to be sure, in some more than others, but to a significant extent in every single one. Over the ten years, the entire production system has been redesigned, affecting *all* products, not just one here and one there. The target year for zero footprint, the top of Mt. Sustainability is 2020. I hope to live to see the view from the top of the mountain. It is a good thing that I come from long lived people.

Now, to the two trends. Let me share with you the larger meaning I have discovered in these 10 plus years of near total emersion in this new paradigm. During these years, I have acquired a deeper understanding of what Hawken was saying in his book—that we are losing the biosphere that supports us and some 30 million other species. It is a very, very long term trend. It is the first of the two trends that I believe will ultimately determine the fate of humankind on Earth.

I have asked myself over and over for nearly 11 years, and I ask you, how would a living planet—the rarest and most precious thing in the universe—lose its biosphere, i.e., its essential liveability? We take it for granted and don't want to believe losing it is even possible. But, think about it, and you know, if Earth, someday in the distant future, has lost its liveability—its biosphere—it will have happened insidiously:

- One silted or polluted stream *at a time*
- One polluted river at a time
- One collapsing fish stock at a time
- One dying coral reef at a time
- One acidified or entrophied lake at a time

- One over-fertilized farm at a time, leading to one algae bloom at a time
- One eroded ton of topsoil at a time
- One developed wetland at a time
- One mansion built on a fragile marsh hammock at a time
- One disrupted animal migration corridor at a time
- One butchered tree at a time
- One corrupt politician at a time
- One new open-pit coal mine in a pristine valley at a time;
- One decimated old growth forest at a time
- One lost habitat at a time
- One disappearing acre of rain forest at a time
- One political pay-off at a time, resulting in one regulatory roll-back at a time
- One leaching landfill at a time
- One belching smokestack or exhaust pipe at a time
- One depleted or polluted aquifer at a time
- One desertified farm at a time
- One over-grazed field at a time
- One toxic release at a time
- One oil spill at a time
- One breath of fouled air at a time
- One-tenth of a degree of global warming at a time
- One exotic disease vector at a time
- One *new* disease at a time
- One invasive species at a time
- One perchlorate contaminated head of lettuce at a time. (Perchlorate is rocket fuel, and it is in the ground water of the San Joaquin Valley, of California thanks to Aerojet General.)
- One chloro-fluorinated or methyl-brominated molecule of ozone at a time, creating a deadly hole in the ozone ultra-violet radiation shield
- One poorly designed carpet at a time
- One thoughtlessly designed building or building interior at a time
- One misplaced kilogram of plutonium at a time
- One more ton of spent nuclear fuel at a time, looking for a safe and secure home for 240,000 (!) years
- One advance of urban sprawl at a time
- One insensitive or uninformed architect or interior designer or facility manager or manufacturer at a time

- One songbird at a time
- One PCB-laced orca, one whale, one dolphin, one trumpeter swan, one mountain gorilla, one polar bear, one leatherneck turtle at a time
- One entire wild species at a time
- One poverty-stricken, starving, diseased, or exploited human being at a time.

That is how it would have happened, and we know that it *is* happening already just that way—so many ways! You could make your own list, just as long without any duplication. It is a long, long slippery slope, and we *are* on it. That is the first trend. We are losing one strand of the web of life at a time, inexorably, and it will not stop until either we *homo sapiens* come to our senses, or we, too, are gone and can do no more damage. If we do come to our senses in time, that will happen one changed mind at a time.

Now, let me address the genesis of that change of mind, admittedly in a very cursory way, touching on some key milestone events:

If we go back not so far in history, we know there was a time when some people, so-called "noblemen," had life and death power over other people. The latter were literally chattel, i.e., property, and the nobleman property owner could do what he pleased with his property, including kill it for expediency's sake, or just for fun, if he was so inclined. For western civilization that eventually changed, as the field of ethics emerged. Ethics is about doing the right thing, and today we know that the power of life and death by one person over another is manifestly wrong.

But what if the "nobleman" of more recent times (the wealthy property owner) owned or coveted a piece of land, say the north-western corner of Wyoming—if I may use an American example—with the idea of developing those amazing geysers for his own profit, or to keep for his exclusive personal enjoyment? To head off such a possibility, the U. S. Congress in 1872, during the presidency of Ulysses Grant, set aside Yellowstone National Park. Later, President Theodore Roosevelt, under the urging of explorer, mountain climber, and writer John Muir, raised the public profile of Yellowstone and other natural wonders of America. And still later Woodrow Wilson created the National Park Service, to include Grand Canyon National Park, Yosemite, Grand Teton, and many others. (Maybe you have visited Muir Woods that stand of redwoods near San Francisco, named for John Muir, often credited with being the father of the conservation movement in America.) So the notion evolved that ethics should extend to land, especially land of such breathtaking

beauty. The ethical thing to do, the right thing to do, was to protect this natural beauty for all people. Today, we know this is manifestly true; it's the right thing to do.

Years later in 1933 (72 years ago!), Aldo Leopold, another American, writing about land ethics in a larger sense, observed that what happens to the land in terms of its plant life, determines habitat. Habitat, in turn, supports animal life, and the specific habitat determines, even dictates, what species live there; so the field of ecology developed, the science of studying the web of relationships among flora, fauna, and even the microbial world, that altogether form the web of life.

Then, some really intelligent people began to ask strange questions, such as, "If the brown bear stops breeding above 5000 feet elevations (as it has), what does that mean for us *homo sapiens*?"

Out of such inquiry arose bigger questions, such as, "How are humans affecting the web of life, that is, 'the biosphere'"? It is composed of, and contains, all the living systems and life support systems of Earth – all living things, bound together in a fragile, interdependent web, the intricacies and complexities of which we have only barely begun to understand. But this we know: we are part of it, not above it, not outside it – a realization that is a hopeful sign of our increasing maturity as a species.

Then, a brilliant and brave woman named Rachel Carson brought such inquiry (How are humans affecting the biosphere?) to a new level with her exposure of the chemical industry – a human invention and a central part of the modern industrial system – in her landmark book *Silent Spring*, published in 1962. Most people would say that book launched the American environmental movement. Another way to think about it is that Rachel Carson extended the field of ethics beyond people and land to include all the creatures that live on the land, and in the air above the land, and in the waters that cover the land. We know in our hearts she was right to do so. The prospect of a silent spring brought to life in our minds' eyes and in our hearts the reality of the abuse by the industrial system; and we knew it was manifestly wrong. She gave meaning to "environmental ethics".

She was pilloried by the chemical industry just as Copernicus had been pilloried by the church for saying the earth was not the centre of the universe. Copernicus backed down; she did not. What a woman! That is why she is my choice as Woman of the Century. She was the quintessential wielder of the Power of One!

As the abuses of the industrial system began to be exposed by this courageous woman, peeling back the onion, the field of ecology was broadened to extend to *industrial ecology*, asking just how bad *is* the abuse

caused by this industrial system and what should we do about it? The answer was, pretty bad! And out of Rachel Carson's shockwave came practically all of the legislation of the '60s and '70s aimed at protecting the environment, including the creation of the American EPA and its regulatory authority.

The regulatory system: has it slowed the rate of abuse? Yes, it has, but has it turned the negative trends positive? My advisors and researchers—and they are among the best in this field, Paul Hawken, Janine Benyus, Amory Lovins—tell me that *not one* peer-reviewed scientific paper published in the last 30 years has said, yes, the global trends are now positive. Though there are exceptions and victories to be celebrated, the overall global trends with the environment are still in the wrong direction. Biodiversity is plummeting. (The death of birth.) The human footprint is growing.

But, the trend in environmental ethics is well established. Today, we see a clear-cut old growth forest and we know, manifestly, that is wrong. We see deformed aquatic life caused by PCBs and we know, manifestly, it is wrong. We read on a label, "This paint contains lead," and we know, manifestly, it is wrong—not to mention, stupid. We see human encroachment on nature more and more, and we know it is manifestly wrong. We see a building that is hogging energy or whose interiors are finished with rain forest mahogany or whose exterior is thousand year old redwood, and we know manifestly that, too, is wrong.

So, this thing called environmentalism is not new and not left-wing whacko. It dates from way back. Though religious conservatives prefer to call it "creation care", it's the same thing. It is an apolitical extension of a very long-term progression in the definition of what's the right thing to do. Progress may occur in fits and starts with occasional setbacks, but the direction in environmental ethics is well established. There is an inevitability that goes hand-in-glove with the maturing of a species – a growing sense of right and wrong, extending to all of creation, including one of humankind's most pervasive inventions: the industrial system and its built environment. This is the second trend.

Which will prevail? I suggest that the fate of *homo sapiens* will be determined at the intersection of these two trends.

For in the final analysis, the ethical thing – the right thing to do – is driven by enlightened self-interest. Not only does ecology tell us we are part of nature, not above or outside it; it also tells us that what we do to the web of life we do to ourselves. *Industrial* ecology tells us the industrial system, as it operates today, simply cannot go on and on and on, taking, making, wasting – abusing the web of life. The industrial system takes too much, extracting Earth's natural capital. It wastes too much. It abuses

too much. It takes stuff and makes stuff that very quickly ends up in landfills or incinerators – more waste, more abuse, more pollution. I'm told that < 3 percent of the material processed through the system has any value whatsoever six months after its extraction from the earth. Your 9 lb laptop computer, icon of the information age, required the processing of > 40,000 lbs of stuff to distil that 9 lbs.

Industrialism – the industrial system of which we are each a part — developed in a different world from the one we live in today: fewer people, more plentiful natural resources, simpler lifestyles. What a difference today! These days, industry moves, mines, extracts, shovels, burns, wastes, pumps and disposes of four million pounds of material to provide one average, middle-class American family their needs for a year. Really, with people everywhere aspiring to the American standard of living, that cannot go on and on and on in a finite world; and it is finite. You can see it from space. That's it! There isn't any more. The rate of material throughput—the metabolism of the system—is now *endangering* our prosperity more than enhancing it, and the toxicity of some of that stuff is *really* endangering the biosphere, thus everyone's health, ours and that of those 30 million other species. It is manifestly the wrong thing to do. It must be changed, at the nexus, out of a growing sense of ethics. Do you see, it is all a design problem? For you designers here, here's the crux of my message: It is very important to the future of humankind that any of you in design form a very clear understanding of "ethical design"—design for sustainability and commit to it for a lifetime. Truly, though, are we all designers. I am colour-blind, but I designed a green company. Facility managers design a functioning management system; Government designs incentives to steer society, etc.

A sustainable society into the *indefinite* future, arising from the nexus of these two trends, depends totally and absolutely on a vast re-design triggered by an equally vast mind-shift—one mind at a time, one organization at a time, one technology at a time, one building, one company, one university curriculum, one community, one region, one industry at a time, until the entire system of which we are each a part has been transformed into a sustainable system, existing ethically in balance with Earth's natural systems, upon which every living thing utterly depends—even civilization itself.

There is no question in my mind, based on our experience at Interface, that there is a clear, compelling, and irrefutable case—business case—for sustainability; yet the sceptics remain. So, given the sceptics' reluctance, even disdain, and unwillingness to accept my case, I have begun to challenge the sceptics to make their case. More precisely, I would like to hear the business case for:

- Double glazing the planet with greenhouse gases; and while talking about the cost of preventing global warming, please address the cost of not preventing it
- Destroying habitat for countless species, about whose connection to humankind, in many, even most cases, we haven't a clue; ecological ignorance abounds in our culture. Paul Hawken says the average American can name 1,000 commercial brands and maybe 10 plants
- Poisoning air, water and land
- Disrupting pollination and photosynthesis (that ought to be a good one!)
- Over-fishing the oceans to the point of collapse
- Destroying coral reefs, forests, and wetlands (the beginning of the food chain that leads to us at the other end !)
- Depleting or polluting aquifers upon which food production is so dependent
- Destroying the life support systems of Earth.

As Paul asks, what is the business case for an economic system that says it is cheaper to destroy the earth than to take care of it? How did such a fantasy system that defies common sense even come to be? How did we—all of us—get swept up in its siren's song.

What is the business case for destroying the basic infrastructure of civilization itself, the natural systems upon which everything depends, including the economy? For what economy can even exist without air, water, materials, energy, food, *plus* climate regulation, an ultra-violet radiation shield, pollination, seed dispersal, waste processing, nutrient cycling, water purification and distribution (natural filtration and the hydrologic cycle), soil creation and maintenance, flood and insect control – all supplied by nature and her natural systems. The economist would say, all these are externalities and do not count in the financial system? Talk about a flawed view of reality! Without any of them, there would be no economy in the first place? How can it be good business to externalize them and assume license to destroy them by arbitrarily saying they don't count.

I am waiting with baited breath for the answers, so I can correct my errant ways. Of course, there are no answers, and therein lies the inevitability of sustainability. It's only a question of how much pain before a growing sense of ethics gets us off the slippery slope and we opt for survival.

Who is really at risk here? Let me introduce you to this person in closing, with another episode from my story.

It was the early days in this mountain climb, a Tuesday morning in March 1996, and I was talking to our people at every opportunity, trying to bring them along, this time in southern California—not knowing whether I was connecting. About five days later, back in Atlanta, an e-mail came to me from Glenn Thomas. He was sending me an original poem that he had composed after that Tuesday morning meeting. When I read it, it was one of the most uplifting moments of my life, because it told me at least one person had really got it.

Here's Glenn's *Tomorrow's Child*[1]

Without a name; an unseen face
and knowing not your time nor place
Tomorrow's Child, though yet unborn,
I met you first last Tuesday morn.

A wise friend introduced us two,
and through his sobering point of view
I saw a day which you would see;
A day for you, and not for me.

Knowing you have changed my thinking,
for I never had an inkling
That perhaps the things I do
might someday, somehow, threaten you.

Tomorrow's Child, my daughter-son,
I'm afraid I've just begun
To think of you and of your good,
Though always having known I should.

Begin I will to weigh the cost
of what I squander; what is lost
If ever I forget that you
will someday come to live here too.

Folks, every day of my life since, *Tomorrow's Child* has spoken to me with one simple but profound message, which I share with you, that we are each part of the web of life and we have a choice to make during our

[1] ©1996, Glenn Thomas

brief visit to this beautiful planet: to hurt it or to help it. For all human beings, it's their individual choice. For you it is your choice.

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Principles of Polyface Farm

Joel Salatin[*]

I am going to share with you the overriding principles at Polyface Farm, which is in Virginia's Shenandoah Valley. Just so you know my pigeonhole—I can be very upfront and honest and transparent with you—I am a Christian, libertarian, capitalist environmentalist. Here are the overriding principles of our farm:

Food production should be aromatically and aesthetically pleasing. If you cannot enjoy bringing a kindergarten class out and partaking of any part in the production, processing or marketing of food, it is not acceptable. Our senses have been given to us for a reason. How do we know we have infection in a wound? It smells bad. If our food production system stinks, it doesn't bring much happiness.

Animals are healthiest when they ingest copious amounts of green material. Every animal from carnivores to herbivores to omnivores desires a certain amount of salad bar in their diet. So on our farm we move animals to fresh forage every day or two so that they can ingest copious amounts. This is the secret for polyunsaturated fats; conjugated linoleic acid; B-vitamins to go 300 percent higher than what is in the supermarket stores; and that sort of thing. There is no wonder we have obesity and cholesterol problems when we take away the exercise, fresh air, sunshine, high vitamins and minerals; and feed animals a high starch diet in a stressful environment in a fecal factory, inhumane, concentration camp farm.

The soil is a complex living organism, nourished by decomposing biomass. It runs on solar energy. Therefore we do a lot of large-scale composting, letting pigs do the work. We don't use big, heavy, metal machines to make windrow compost piles. We inject corn and let pigs do the work. Increasing organic matter is our aim. If we increased organic matter by just one percent in North America it would capture all of the carbonaceous greenhouse gas emissions since the industrial age began. On our farm, 45 years ago, our average organic matter was less than one percent; today it averages almost eight percent organic.

Nature's design is the pattern for all domestic production. What we want to do is look at nature and take it as a pattern, as a template, and cut it out, and lay that on the landscape as our domestic commercial production. For example, in nature, herbivores exhibit three patterns:

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movement, mobbing and no grain. Yet we now have an apoplectic world dealing with bovine spongiform encephalopathy—"mad cow" disease. And suddenly the world has discovered that maybe we shouldn't have been feeding herbivores dead chickens and dead cows. Why do we need a bunch of high-powered PhD scientists in a big high-tech, techno-glitzy laboratory to tell us that maybe we shouldn't be feeding chicken manure to cows? We use nature as a template to create that pattern.

Another one is *movement*. We are always going to fresh ground; animals are always moving to fresh ground. It's critical to create pathogenic cul-de-sacs through rest or multi-speciation. The world is now facing an episodic of avian influenza, especially emanating from Southeast Asia. The reason is that there are no pathogenic cul-de-sacs. People don't clean out or put a different species in their house or in their shelter or their animal facility, wherever it is. We need to do that, and I'll show you how we do that in our forum.

Bioregional food systems. Feed your own community first. The average food morsel travels 1,500 miles from producer to plate. The government accounting office in the US actually did something right. They did a safe food study and they determined that the vulnerabilities of the food system were centralized production, centralized processing and long transportation. You would think that the government policy would say, "Let's de-centralize the production and have small farms. Let's de-centralize processing and have on-farm processing, community-based canneries and abattoirs and things like that. And let's have local community-based food systems." You would think they would do that. Instead they just pass more rules that get in the way of local food systems.

Technology is used to enhance the biological happiness on the farm. We want to marry the techno-glitzy with heritage wisdom. We can assemble a bunch of scientists in this room to study the space shuttle—a pretty sophisticated machine, wouldn't you say? They can tell us why every single button and gadget in that space shuttle works. But all the scientists in the world can't come in here to tell us why an earthworm turns left instead of right. I don't know about you, but I'm betting that the earthworm is going to be around for a long time and it has as much information that is necessary to transmit life as a space shuttle. So what we want to do is use technology like electro-fencing and things like that and allows it to create synergistic, symbiotic relationships between the plants and animals on the farm.

Balance. Ecological, emotional, and economic—all these elements have to be balanced. Part of the problem with organic certification around the world right now is that it allows empires to be built. We now

know the commodification of what was a movement. Now they call themselves "an organic industry."

An empire by any other name is still an empire. Just because we can, should we? Just because we can, should we ship salad greens from San Francisco to Washington DC on an overnight airfreight express? We humans are clever enough to create things that we cannot morally or ethically metabolize or assimilate. That is why on our farm we are desperately trying to combine the eastern and the western, the parts and the wholes, to create the balance in symbiosis. You know, if the goals in our regular production system of "grow it cheaper, faster and higher" were the noblest goals of mankind, we would all aspire to be the fattest person in the room.

In conclusion, we want to create a habitat that allows for each plant and animal to fully express its physiological distinctiveness. When you and I achieve our greatest potential, our greatest happiness, it is when we are fully expressing our Mary-ness, Jim-ness, Tanya-ness.

I would like to sit down on the Today Show with Don Tyson and ask the simple question, "Does it matter if a chicken can express her chicken-ness?" I would like to sit down with Murphy, head of Murphy Farms Smithfield, and ask, "Does it matter if a pig can express its pig-ness?" Because when we view life and biology with no more respect and no more honour than if it were just so much inanimate, protoplasmic, molecular structure of electrons, protons and neutrons, that creates our perception of life that we then transmit to every other life form, including our spouse, our children, people in this room—cross-tribally and cross-culturally. The foundation of respecting and honouring one another as a world is how we treat and respect and honour the least of these.

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Social Enterprise Models as Key Drivers for Community-based Agriculture

Farouk Jiwa[*]

The first question is, "What isn't working today? Why is mainstream development not working?"

For the last 50 years we have had community-based agriculture being driven by governments and it hasn't worked particularly well in Africa. We have had a lot of problems with corruption, undemocratic governments, political interference, mismanagement, overbearing bureaucracy. We have parastatals and marketing boards. We have a centralized and top-down approach to pushing development through. There are frequent changes in power which, although good from the democratic perspective, from a policy perspective does not always work very well. We have a very poorly motivated, poorly remunerated civil service. For all these reasons, community-based agriculture in my part of Africa hasn't worked particularly well.

Over the last little while we have seen the donors coming in with their own specific agendas. They have worked over a very similar timeframe. They have had good successes in some areas and these have been fantastic while the funding lasted. When the money disappears things begin to deteriorate very quickly. There are some interesting models emerging but I haven't seen anything that makes me want to jump up and shout out in joy. It is going to take a while before we get to that stage.

They are primarily driven by donor cycles and that is the biggest weakness in the way things are working forward. With respect to market linkages, I can walk you through projects across East Africa where donors have come in and set up projects for communities—but they haven't figured out that if you can't turn it into money, the communities aren't going to move further any more quickly.

The transfer of projects to communities has also been very poorly handled. It has been incredibly clumsy and things have not done particularly well once the donors have exited.

The private sector, on the other hand, hasn't had a very good reputation of pushing forward community-based agriculture either. Their focus has always been on large-scale production. Working with small-

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scale farmers has always been deemed inefficient; it wasn't seen to be profitable for business in the long run.

Still, I think the private sector is always being given the black eye. I come from the private sector, by the way, so I have a different perspective on all of this. There seems to be a lot of suspicion by the non-governmental organizations, various government agencies, and I think it is about time to begin distinguishing what private sector actually means. There are multi-national corporations; there are indigenous and national businesses—I represent an indigenous business from Kenya. There are local medium, small, and micro enterprises as well. I think we need to start talking about those businesses and what they have to contribute.

So what is the alternative vision? I think we have to look at social enterprise models as a key driver for sustainable, community-based agriculture, both in terms of biodiversity conservation and poverty reduction.

What are these social enterprises? Right now it is sort of a basket that is used to categorize anything that defies conventional compartmentalization. Any organization that doesn't make any sense to anybody is referred to as a social enterprise. They call us "social entrepreneurs" because they can't figure out what else to call us.

These organizations are emerging because there is a need for them. The traditional models aren't working, so these odd little organizations are emerging all over the place because there is a need for them. They defy the traditional compartmentalization between development sector and private sector. At some point a line was drawn that indicated: "You are either this or that." The question we are asking is, "Why can't we be both?"

Most of these social enterprises use a triple bottom line approach. For those of you who are unfamiliar with the term, it is basically trying to generate environmental, social, and economic values simultaneously. It is possible to do this and this is what we are trying to do in many of our own special kinds of ways. They are profit driven; at least in my case it is profit driven. So the incentive to always find and drive efficiencies; and to move things forward in a way that makes sense is of paramount importance to me. And, of course, making linkages to market is my number one priority.

I'll give you some examples. You can write them down and think about them; maybe you can find information about them. There is Irupana in Bolivia, there is Hagar in Cambodia, Streetwires in South Africa, Gone Rural in Swaziland, Chef in Kenya, VegCARE in Kenya, Cemex in Mexico and, of course, there is Honey Care in Africa.

Social enterprises are emerging from a convergence of formerly separate models. On the left hand is the traditional non-governmental organization, receiving 100 percent of its funding from development agencies. For whatever reason, donor priorities are changing—Iraq is more important than Africa, that sort of thing—so funding is not what it used to be. And now these NGOs sometimes resort to very simple fundraising activities—the "bake-sale" approach. You know, "Buy some cookies and we can try to build a well in Africa," or whatever the case may be. More and more, they have to look for more ways in which they can raise their own funds. This is causing a certain commercialization within the NGOs in my part of the world. The International Finance Corporation at the World Bank recently acknowledged this and has decided to call these entities "grass-roots business organizations."

From the right hand side you also see the transition in terms of how businesses have been operated. They have moved away from being compliant, basically following the laws and regulations—paying your taxes and keeping your head down. They are moving toward being a little more responsive. They listen to what the stakeholders have to say and they try to do as much as they can within reasonable expectations. Then you have the businesses that are a little more engaged. They actually offer quite a lot more than simple corporate responsibility.

Honey Care Africa was established in 2000. It is a private sector organization with an explicit sustainability agenda. Our objective is very simple: use better beekeeping technology to improve rural incomes, to empower women and youth, and to promote bio-diversity conservation. We are a fair trade organization—we are members of the International Fair Trade Association—and we are committed to triple bottom line value generation. I think we are probably best described as a social enterprise. We try to combine the best of the NGO world and the private sector at the same time. We are profitable and viable. We are currently operating in Kenya and Tanzania and hope to move the operation into Uganda by December of 2005.

While designing Honey Care we tried to figure out why things weren't working. The donors have been working with rural communities for a very long time with very little to show for it. The private sector has been engaged with the rural communities for a very long time and it can always turn into an exploitative relationship. So I thought to myself, "Why can't we bring the three together to see what happens?"

This is really what Honey Care is all about. It is a synergistic win-win partnership, so that everyone gets out of it what they want. There are very specific rules about what each party's responsibility is to the other two parties, governed by a memorandum of understanding. There is a

system of checks and balances, provided by the donor of the micro-finance institution, to ensure that we as a company don't get greedy and at the same time that the farmers actually live up to their commitments.

We have worked with about 20 different international organizations. None of these people actually fund my organization. They don't subsidize my expenses. Their sole responsibility is to provide loans and micro finance to the communities we work with. We also work with about 250 community groups—women's groups or youth groups, and whatever else they may be—and of course with the governments of Kenya and Tanzania.

So what does Honey Care actually do? What we do is manufacture Langstroth hives. We go out and conduct demonstrations at the village level to show people how they works. We conduct agro-ecological assessments to make sure the place is viable for beekeeping. And then we try to do the most important thing, which is linking the small-scale farmers to where the money is. So we write proposals and try to get funding to them. We also provide three days of training; extension service and technical support at the community level; extraction and collection of honey; cash payment on the spot to the farmers; and make deductions from farmers to repay their loans to donors. Of course, we also process, pack and market the honey for a profit.

Honey Care has 48 full-time staff. We have disseminated information about our company to 15,237 people. We have placed 19,000 hives. Forty-two percent of our beekeepers are women. Over 7,500 households are now involved with honey production, earning approximately $200–250 a year from this. And so on and so forth.

I think that obtaining start-up capital was probably the biggest problem that we've had to face. We had to do what everyone else does—go out and borrow money from friends and family to find ways to start our business. In 2004 we were able to work with the grassroots business organizations and they provided a loan of $500,000 to build up our operations in Tanzania.

Of course, getting the staff was a big challenge: we had to do a lot of intensive training. Project modelling and designing has always been a big challenge. We would go out to try different things and find out what actually works. Government interference was a big issue initially: the government preferred the Kenya Top Bar Hive over the technology we tried to introduce.

I'll skip through some other things, but there are two points I can't skip. The first is the transition from entrepreneurship to administration. I think that after a while you just need to get out of the way—beyond a

particular point, you need to hand your organization over to the people who can actually run it and move things forward.

The second thing, and probably the biggest challenge for us, is balancing the commercial with the social. Every single day I make decisions that make no commercial sense. If I wanted to be a large-scale commercial honey producer I wouldn't be working with small-scale farmers with less than two acres of land, who live far away from any road, and have no communication and no infrastructure. It is a decision we have taken because we believe that is the only way things will move forward. I have been incredibly fortunate because I have two partners who just believe that it's the right thing to do.

You have to ask yourself, "How are you going to move from the fringe to the mainstream?" First you have to prove that what you are doing is scaleable and that it is replicable. If you can't go out and prove it, as we have done in Tanzania and are hoping to do in Uganda, you don't have much of a case to fight. You still look like this little niche organization. So my priority is to get this done over and over again in other countries.

The second thing, and most important, is to start engaging the mainstream private sector. You have to show them that this makes a lot of sense. If they see the viability of it they will start listening to you a lot more carefully. You have to have clear numbers: social, environmental, and economic indicators; financial operation parameters. I think that, for me, is of paramount importance.

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The University As An Instrument of Gross National Happiness: Some reflections

Thakur S Powdyel[*]

Abstract

This paper makes an attempt to follow the evolution and changing role of the university from its beginnings to the present day. It looks at the function of the university as an instrument of national and social development as a preserver, creator and disseminator of knowledge. The attempt then is to put the establishment of the Royal University of Bhutan in context and see its role as a vehicle for the furtherance of the ideal of gross national happiness.

Introduction: The Enduring Legacy

The finest legacy of the medieval ages, the university has passed through various incarnations – as a religious institution, as a welfare institution, as an economic institution, and as a part of government, finally coming to assume its own character and chart its own destiny. The peculiar characteristics that differentiate it from other institutions and agencies in the society derive from the unique objectives that they exist to serve – those being: to preserve, transmit and advance knowledge.

The university, according to Cardinal Newman, is a place of teaching universal knowledge. The transmission of universal knowledge was, to Newman, critical to the idea of the university. He emphasized the essential unity of knowledge, and the universal character of the university. All branches of learning then were understood to come within the umbrella of theology, the queen of the sciences. Any discipline of learning that aspired to the position of a university subject had to be relevant to theology. Pride of place then went to philosophy, the study of knowledge.

To Immanuel Kant (1724-1804), "The faculty [of philosophy] encompasses therefore 'all parts of human knowledge'. From the renaissance onwards, the idea of unity was conveyed by what was commonly referred to as 'the scientific spirit' that was supposed to inform all subjects of inquiry. The cultivation of *the gentleman* informed the various branches of learning and made for their sense of unity.

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Today, we have the concept of a 'multi-versity'. According to Eric Ashby (Yanase, 1989:138), over the centuries, the university came to exercise four principal functions:

> From Bologna and Salerno comes the function of the university to train the students for certain professions, like the church, medicine, and law. From Oxford and Cambridge comes the university's function as a nursery for gentlemen, statesmen and administrators. From Gottingen and Berlin comes the function of the university as a centre for scholarship and research. From Charlottenburg and Zurich and Massachusetts comes the function of the university to be a staff college for technological experts and specialists.

Millet wrote (1962:54):

> What gives higher education its unique status is its relation to society at large. The objective of higher education – the preservation, transmission, and advancement of knowledge – implies not just a belief in the importance of knowledge. There is, as well, a more practical goal: to enable individuals to develop their talents for the service of others.

The province of the university is the realm of knowledge. Knowledge, according to Newman, is worth pursuing for its own sake by virtue of the fact that it brings virtue to the person who pursues it to be free from ignorance. But knowledge can also be useful in solving human problems including health, production, unemployment, and as a means to improve the society.

It is now recognized that universities serve at least three critical functions: training, research, and public service. Universities are expected to prepare the much-needed personnel to fill the high level scientific, technical, professional, and management jobs. As the indispensable core of national capacity, the university faculty are called upon to produce graduates who are capable of performing such jobs.

Universities are expected to generate the knowledge and innovations needed for development through indigenous scientific research and technical know-how and disseminate this. The university staff are expected to initiate and carry out research that will generate knowledge and contribute to development.

The society expects universities to render the necessary high skill services to the community with the involvement of its staff in local activities, as the university is expected to be a reservoir of expertise that can be tapped by the government and the private sector. The community expects the university faculty to lead it in developmental activities by

sitting on various committees and boards and by providing consultancy services to them.

Bloom (1984:382), with all his concerns about the decomposition of the university, believes "…that universities, rightly understood, are where community and friendship can exist in our time. Our thought and our politics have become inextricably bound up with the universities, as they have served us well, human things being what they are".

A System Comes of Age

One of the significant features that has characterized the progress of Bhutan since planned economic development has been the phenomenal growth of education from fewer than a dozen schools in the early 1950s, enrolling a few hundred students, taught by a handful of teachers to an impressive 450 or so schools and institutes, with over 150,000 students, taught by close to five thousand teachers. The ushering in of a forward-looking western style modern English medium education system has resulted in establishing one of the best systems in the region.

Come 1984 and the national desire to found a university for Bhutan was first voiced when it was mentioned in the Draft Education Policy. Over the years, the aspiration of the Kingdom of Bhutan to have a university of its own became more crystallized and the dream is enshrined in *Bhutan 2020: A Vision of Peace, Prosperity, and Happiness*,

> We must take steps at the earliest feasible opportunity to establish a national university that is not only able to meet national needs but also those of individuals from neighbouring countries and even further a-field. The university should link Bhutan to the international world of learning and its establishment should be guided by the need to establish recognized centres of excellence.

The Royal Charter issued by the fourth Druk Gyalpo, His Majesty Jigme Singye Wangchuck on April 13, 2003 enabled the birth of the Royal University of Bhutan on June 2, 2003, coinciding with the historic anniversary of the Coronation Day of His Majesty. The Royal Charter decreed that the Royal University of Bhutan be founded to *provide, through the dissemination of knowledge and the advancement of learning and the granting of awards, for the economic and cultural development of the Kingdom of Bhutan and to promote the cultural enrichment, personal development and the wellbeing of its people.*

The then Prime Minister, Loynpo Kinzang Dorji inaugurated the Royal University with the then Minister of Health and Education, Lyonpo Sangye Ngedup as the founding Vice Chancellor. Founded on a distributive model with member-institutes spread across the country, the University is constituted by the federation of the following institutes:

- Sherubtse College
- Royal Bhutan Institute of Technology
- Institute of Language and Culture Studies
- Royal Institute of Management
- National Institute of Education, Samtse
- National Institute of Education, Paro
- Royal Institute of Health Sciences, and National Institute of Traditional Medicines
- Natural Resources Training Institute.

These institutes are expected to follow their own stars and be centres of excellence in the various fields of academic and professional studies they elect to offer to aspiring Bhutanese youths and scholars from beyond our national boundaries who come partake of the unique experiences in which the Royal University may have an advantage.

The University and National Development

A university is the expression of the needs of a community, a society or a nation, devoted to the fashioning of its intellect. As an institution of higher education, a university is dedicated to the pursuit and propagation of knowledge, to the study and clarification of values, and to the advancement of the interests of the society and the nation at large.

As the product of a decision of the society, the university acknowledges and advances the claims of the society on it. The claims of the society or the nation on a university are many – they include, but are not limited to, the academic, intellectual, psychological, social, cultural, economic, material, spiritual, occupational, artistic, physical dimensions of the life of society. Discovering, affirming, and advancing these many dimensions of the society is a critical function of the university.

The society looks up to the university as the repository of knowledge and wisdom. Universities have a common commitment not just to the acquisition of knowledge for its own sake, important as it is, but a commitment to active participation in social transformation, economic modernization and the training and upgrading of the total human resources of the nation, and not just a small elite.

Professor Theodore W Schultz analyses the impact of education in general and that of higher education in particular upon the total activity of the society. He looks at higher education as a human investment and says that the fruits of education manifest in the improvements in the capacity of people to produce economic wealth, the health of a working population, the technological skills of a working force, the availability of

finance capital – all important determinants of the economic output or GDP of a society (Yanase,1961:46). These are extremely important conditions for the achievement of the goal of gross national happiness.

In its 1988 report, the World Bank highlighted the important role of universities, that being "to prepare and support people in positions of responsibilities in government, business, and in the professions". The report went on to say that "High-level manpower must be trained and quality research carried out if development policies are to be correctly formulated, programmes appropriately planned, and projects effectively implemented".

As an instrument of development, a university has a responsibility to assist the society in solving its problems. This responsibility entails the creation of knowledge which helps in the attempt to search answers to pressing social and national problems.

It is generally agreed that teaching and research are the twin pillars on which excellence in higher education rests. A group of fifteen leading American University Presidents argued that "One of the decisive elements in the quality of any society is the level it is able to reach and sustain in the quality of its research and scholarship" (Millet, 1962).

Nordestam (quoted in Matiru, 1991:50) identifies the conception of development into three categories: evolutionary conception, technocratic conception, and humanistic conception. The technocratic conception emphasizes efficiency in reaching goals, while a humanistic conception emphasizes the human element. Development plans could often be technocratically efficient but humanistically disastrous. The evolutionary conception would emphasize the middle path.

The goal of Bhutan's development planning – gross national happiness - has now well crystallized and been internalized. The socio-economic and humanistic development of the people, against a natural environment, secured by the ideal of good governance, characterize the conception and management of development. The Royal University of Bhutan could not be more fortunate in aspiring to be an instrument for advancing a national dream.

The university and the nation could be great natural allies. As stated above, the province of the university is the preservation, creation and advancement of knowledge. And knowledge is power. Societies and nations are what they are because of their possession or lack of the power of knowledge. With knowledge comes power and power brings prestige to individuals and nations.

In this connection, it is interesting to see the correlation between the number of Nobel Prize winners and the relative power countries enjoy in the world today. Between 1901 and 1989, the number of Nobel Prize

winners in Austria, for instance, grew from three to 10,in England, it grew from 15 to 65, in Germany from 27 to 50, in Sweden, from three to 21, in the U.S.S.R, from two to 12, and in the United States, it grew from a mere six to 162. (source: Nagi et al in Matiru, et al, 1995:338). The rise and fall of nations is a function of knowledge and its use.

Non-university institutions too can conduct research and create knowledge, but the universities are best positioned to provide an ideal atmosphere to carry out research by enabling older and younger minds to re-examine ideas and theories, to formulate new questions, hypotheses and new ways of looking at data. The universities provide constant challenge to its faculty to explain their subject-matter to fresh inquisitive minds. This perpetual challenge builds up a conducive atmosphere for research and the advancement of knowledge. In 1977, for example, 80 percent of high-energy physics publications came from university-based Nobel laureate authors.

The domain of the university could be the whole world – encompassing its various dimensions. It could remain isolated in the realm of pure ideas and detach itself from all the happenings of the real world. It could otherwise be an active participant in the life of the society in which it is situated and assist social transformation. A university keen to avoid being branded an ivory tower shares in the national vision and development programmes without foregoing its commitment to extend the frontiers of knowledge by engaging in fundamental research that lays the foundation for applied research.

The changing wisdom of succeeding generations questions facts, discards ideas and demolishes theories. The pace at which knowledge becomes outdated threatens old certainties and assumptions. Therefore, universities, as the creators and transmitters of knowledge, need to keep themselves abreast of the developments that happen in the society and the big world further a-field.

As the activities of the society become more and more knowledge-based, it is essential for the universities to take cognizance of the factors like changes in science and technology which have brought about unprecedented transformation in the lives of people and societies. The ability of institutions of higher education to deal with and capitalize on the explosion and proliferation of knowledge will decide the quality and destiny of nations.

Universities are expected to undertake research that is relevant to the needs and interests of the nation. National research policies and the university research policies must rhyme in order to further the interests of both. National needs could be

- Educational
- Economic
- Social
- Political
- Scientific
- Technological
- Cultural
- Spiritual…

How the university views its role in addressing these areas of national need could determine its own goals and strategies. From a resource allocation rationale, universities often use the following criteria to assess the merit of research projects:

- social relevance or possible social impact
- fulfillment of national goals for development
- broadening the frontiers of knowledge in the area
- providing solutions to immediate problems
- capacity building in the area, among others.

The Royal University of Bhutan aims to "promote and conduct research to contribute to the creation of knowledge in an international context and to promote the transfer of knowledge relevant to Bhutan." To this end, an interim Research Committee has been setup and a Research Director appointed. Recently, the university invited some external players as well representing government agencies, the private sector, corporations, civil society, among others, to envision the future directions of the Royal University. Of particular interest were the following issues for the university to address itself to:

- the kind of graduates the nation wants
- the manpower needs of the country
- curricular programmes the university needs to offer
- the role of the university
- civil society
- ICT
- University and its links

The relevant institutes of the University will need to engage themselves in search of answers to these needs of the society. Some member-institutes have been engaged in research work more than others

and have provided valuable information for planning and development, including looking at the relative level of happiness that the people in rural and urban areas experience.

The strategic planning of the university commits itself "to ensure that the University is seeking to serve Bhutan and its people, responds to and adapts its provision to their needs." It includes issues of programmes, staffing, resources, enrolment, and its vision for the next ten years, among others.

Soul of the University: The Curriculum

The curriculum is the content of the university's offerings. It is the reason for scholars to visit the temples of learning. The curriculum is the *nangten*, 'inner treasure', of an institution of learning. It is supposed to capture and present the deeper philosophy of the nation, the worldview of its people, their dreams and aspirations, their imagination of perfection and goodness, the principles of national and social life, their attempts to understand and use the possibilities opened up by science and mathematics. The curriculum is a system's treasure chest. It sets goals and beckons pupils and scholars to engage in search of answers.

The Royal University of Bhutan has identified the following areas of study in the different institutes of the university:

- Teacher Education
- Business and Management
- Computers and Information Science
- Engineering and Technology
- Science, Agriculture and Environment
- Health
- Humanities and Social Sciences
- Visual Arts, Design, Music and Communication (Source: RUB draft report2005).

Of special interest to the University will be the niche areas like environment, tourism, natural resources, Buddhist Studies, Bhutanese and Himalayan culture, business administration, and information technology.

Alfred North Whitehead (online) outlines three main methods which are required in a national system of education. They are the literary curriculum, the scientific curriculum, and the technical curriculum. He advocates the necessity of each of these curricula to include the other two. For the utility and the wholesomeness of an

educational experience to be achieved, it is essential to insist upon a sound balance amongst the intellectual, academic and aesthetic domains of education.

The Power That Animates the University: The Faculty

It is possible to have a most forward-looking, dynamic and flawlessly conceived and perfectly formulated curriculum matched by fabulous facilities and resources. However, it is the academic community, the intellectual life and the love of knowledge that animate and give purpose and direction to institutions of learning.

In the words of Millett noted earlier, "The key element in the academic process and in the academic community is the faculty. There is no other justification for the existence of a college or a university except to enable the faculty to carry on its instruction and research activities. Without a faculty, higher education has no reason for being. It is the faculty which realizes or fails to realize the basic objectives of each college or university".

It is possible too that we have a faculty so brilliant, so knowledgeable, so motivated that they can personally live out the essence of the curriculum, compensate for its possible lapses and fire the collective imagination of the university. Goodlad (1990:48) identifies four dimensions of faculty engagement:

- Facilitating Critical Enculturation
- Providing Access to Knowledge
- Building on Effective Teacher-Student Connection
- Providing Good Stewardship.

By virtue of its being the first university in the country, the Royal University of Bhutan is called upon to set standards for the highest quality of faculty. The university should bring together on its different campuses the finest minds of the country and as well from beyond. It is the faculty who will finally set the tone of the university and make it the lighthouse of the community. The integrity and honour of the university comes from the profile of its faculty, and that of the Royal University will be no exception.

Especially in a unique setting such as ours, the university faculty are expected to lead the community by being an authority in their respective disciplines and inspire their students to the highest standards of achievement that they are capable of. This responsibility entails knowledge of the subject, proper delivery, and sensitivity to the needs of the learners, among others. The university faculty are expected to

embody the essential wisdom of their discipline and bring it to the student.

Transmission of available knowledge is only part of the job of university faculty. They have to create new knowledge and stretch the boundaries of learning. Creation of new knowledge involves research. Research is often conducted in universities for reasons not necessarily related to academic or professional excellence, guided by the slogan: publish or perish. We expect the faculty of the Royal University of Bhutan to engage in high quality research and contribute to efforts in finding solutions to the many challenges of development.

As discussed earlier, universities are best situated to engage in the discovery of knowledge which can be an asset to the system and it is the faculty whose job it is to constantly challenge the limits of knowledge and bring new insights to the understanding of issues and problems affecting the nation, and enhancing the opportunities for prosperity and happiness. The capacity of a university to attract the finest minds to its faculty depends on the value it assigns to knowledge and its readiness to provide for its advancement.

We expect the university faculty to be the think-tank of the system because it holds perhaps the largest fund of knowledge and expertise in diverse fields. The university faculty should participate actively in the issues affecting the local community, conduct studies which are of immediate concern to the community, provide leadership in educating and empowering the people.

Besides, the university faculty will be looked up to by the whole education system to provide advice and professional support in the different fields of academic studies. By virtue of their seniority and experience, the university faculty have a responsibility to the professional community as it looks for standards and examples of good practice.

Above all, the kind of values that the faculty impart to the students is critical. To quote Einstein,

> It is not enough to teach a man a specialty. Through it he may become a kind of useful machine, but not a harmoniously developed personality. It is essential that the student acquire an understanding of and a lively feel for values. He must acquire a vivid sense of the beautiful and the morally good. Otherwise, he - with his specialized knowledge – more closely resembles a trained dog than a harmoniously developed person. He must learn to understand the motives of human beings, their illusions, and their sufferings in order to acquire a proper relationship to individual fellowmen and the community." (quoted in Goodlad, ibid:227)

Institutional Integrity: the University's Life Force

A university derives its greatest strength from its institutional integrity. Institutions of higher education aim to provide the most conducive environment for achieving their vision and goals in the advancement of learning. According to the Commission on Higher Education (1994), "one of the attributes which permits an educational institution to provide such an environment is integrity: integrity in the manner in which an institution specifies its goals, selects and retains its faculty, admits students, establishes curricula, determines programs of research, pursues its fields of service, demonstrates sensitivity to equity and diversity issues, allocates its resources, and serves the public interest."

It goes on to say that "A significant measure of an institution's quality is the integrity with which it communicates and interacts with its constituencies and the public. This integrity is reflected in the honesty, openness, and the concern for its constituents that an institution reveals in the establishment and conduct of its programs."

The strengthening and advancement of institutional integrity in the Royal University of Bhutan in the manner mentioned above will be critical contributors to advancing the goal of gross national happiness.

A GNH University!

The purpose and scope of a national university include and transcend the function of validation and award of degrees and diplomas, regulation and control. A national university is the expression of the desire of a people to participate in the world of learning and scholarship, to learn and to employ the best that is thought and known in the world to usher in 'a current of fresh and true ideas', as in the language of Matthew Arnold.

A national university enables a people and a society to discover and appreciate the wonderful creations of the human race in the diverse fields of art and literature, science and technology, philosophy and mathematics, economics and commerce, history and sociology, information and communication and the fruits of many other human endeavours that have shaped and guided mankind's thought and action.

A national university opens up the vast treasures of the marvels of the human mind etched in the world's masterpieces, in civilizations, in the creative possibilities that have characterized the genius of our race as it tries to understand the mysteries of life and nature, as it seeks to come to terms with the limitless powers that surround our lives.

We participate in a universal celebration of the unity of knowledge and the unity of the human race and draw confidence in the solidarity of

our hopes and our dreams. A national university is a powerful instrument.

More importantly, a national university is the articulation of a nation's unique voice. It is an affirmation and assertion of the intellectual destiny of a country. It is a symbol of national identity, an expression of its sovereign self, and a celebration of its cultural and intellectual heritage. The birth of a national university is the spontaneous proclamation of the coming of age of a system, the maturity of a mind, and the confidence of a people. It is the telling of a story that begins in the childhood of a nation, develops through time and fulfils the prophecy of the ancients: Let there be light…

A national university surveys the consciousness of a people, the psyche of a society and the aspirations of a nation. It journeys through the intellectual, psychological, social, political, spiritual, cultural, artistic, philosophical, moral, economic, and material dimensions of a people and a nation. It locates and participates in the inner, subjective life of a society and finds ways to convey those urges and imaginings.

A national university is a wide-awake consciousness that follows what went, and goes, to the making of the nation, what makes its sovereign self, what guides its destiny, on what principles it coheres, what gives it meaning and purpose, what its convictions and values are, where it is going, and how it will sustain itself.

A national university is the veritable autobiography of the mind and soul of a people and a society. It has to follow the pulse of the nation. It is called upon to register and proclaim the timeless and the evolving, the reflective and the active, the national and the universal. The Royal University of Bhutan has no ordinary responsibility.

Bhutan has been home to some of the oldest religious traditions of the world; it has had highly realized and accomplished spiritual masters and scholars. It has been a land of prophecies and incarnations, miracles and mysteries, healing herbs and magical streams and rocks. These are a rare gift. They have made us what we are and given us our uniqueness as a nation and as a people. Our university has to draw inspiration from these springs of faith and worship. Our country is home too to some of the most sacred texts that have captured for us the breath of the divine, the words of the enlightened ones, way to salvation and the path to nirvana. Our many abodes of the gods and goddesses who preside over the happenings and goings-on of our life dot the length and breadth of our country. There is a text in the prayer flags that span the valleys and in the mud-cones that we call *cha-chas*.

Our temples and lhakhangs have been our university over the many years we have called this land our home. They have given us confidence

and security and been a reason for our well-being and happiness. The new university will do well to take them into confidence.

This, our land of the peaceful dragon, is a natural laboratory of a special kind. Home to myriad species of flora and fauna, Bhutan is considered as one of the ten biological hotspots in the world. The diversity in landscape and altitude is matched by the variety in animals and plants, some of which are among the rarest of their kind in the world.

For centuries, our policy of self-chosen isolation has bred a culture and a way of life that is uniquely Bhutanese – be it the choice of a development path, the option of a system of governance, or alliance with the international community. As the world around marched, this land of the Buddha, Padmasambhava and Zhabdrung, this sheltered valley, freer from the bitter blasts attendant upon less happy climes, chose to survey, from the snug canopies of the mighty Himalayas, where the rains had started beating nations and humans.

It seemed as if she knew what was always there: that all the sound and fury of the world would dissipate and that after all the Faustian adventures, it would come to value its soul.

Our myriad humble homes and hamlets have been our university of a special kind tot each us the timeless lessons of humility and tolerance, the power of love and compassion, the need to care and share, the laws of action and consequence, the essence of simplicity and the value of *thadamtsi*, the love of our sacred institutions, and the goodness of humanity. These, our priceless lessons of life, are dear to us as a nation and as a people.

Our country has been the cradle of some of the finest treasures of the human race. It has also been a pioneer in discovering and advocating the benefits that come in with the right of vision so amply demonstrated by our enlightened leaders as they take the country forward to ever widening vistas of progress.

It will be the responsibility of the university to assimilate and advance the spirit and force of the many exciting changes that are happening in the country today. In the preamble to our Constitution we *solemnly pledge to ourselves to strengthen the sovereignty of Bhutan, to secure the blessings of liberty and tranquillity and to enhance the unity, happiness and the well-being of the people for all times…*

Pakhlivala (1994) quotes: "The Constitution has been reared to immortality, if the work of man may justly aspire to such a title. It may, nevertheless, perish in an hour by the folly or corruption, or negligence of its keepers – the people."

How do we prepare our people to absorb and further the intent and power enshrined in the sacred document?

The Royal University of Bhutan will be judged by what it makes of our natural, cultural, social, and spiritual heritage.

It is important for the university to inspire and promote a culture of a learning society –both as a means and an end in itself. Today, computers and computer-controlled equipment are beginning to penetrate every aspect of our lives – homes, offices, factories, and centres of learning. Technology is rapidly transforming a whole array of occupations– health-care, medical services, energy production, food processing, construction, repair and maintenance of sophisticated scientific, educational, agricultural and industrial equipment.

The National Commission on Excellence in Education (1984) says that a learning society is committed to a set of values and a system of education that affords all members the opportunity to stretch their minds to their full capacity...Educational opportunities should extend beyond our schools and colleges to include home, workplaces, libraries, art galleries, museums, science centres, and the like. Enhancement of the base of gross national happiness will depend a lot on the university being able to foster a culture of a learning society.

A University with a Difference

Many universities around the world have bartered their soul to the market. Universities and institutions of learning were supposed to be great conserving places – fountains of wisdom, citadels of values and centres of enlightenment. They were supposed to be the satellites and lighthouses of nations and societies. They were expected to inform and inspire, draw out the best in individuals and institutions and be the conscience-keepers of nations.

These places of learning were called upon to lead and empower, establish and promote categories of right and wrong, discover and assert the human capacity for goodness and virtue

Unfortunately, many universities have followed the call of the market and factories and become corporations. They have even borrowed the market metaphors to prove and proclaim their viability and relevance in the narrow utilitarian sense of the term.

Universities have a lot to account for their fall from grace. They have to rediscover their lost ground and renew their commitment to the nobler functions of enlightening and empowering individuals as people and not as mere economic entities.

Even as the tide of consumerism and materialism makes inroads into our system and often seems to challenge our nobler selves, it is

singularly important for the national university to lead, instead of simply being led by the call of the market. Why can't the market be relevant to the university ideals, and national goals, for a change?

This is the challenge for the Royal University of Bhutan: engineering and rediscovering the true mission of education and bring it to bear on the reshaping of the society. It has to find its culmination in much more than achieving parity with other universities in the conventional sense of term, but in being a mighty instrument for fulfilling just what is its authentic role – a bringer of light to the society.

The goal of gross national happiness is built on the premise of the essential goodness of people and that the Bhutanese people will be able to bring out the best in them. The Royal University of Bhutan can be a powerful instrument in influencing the minds and habits of people. The highest destinies of the university and the noblest dreams of the kingdom converge at the Royal University of Bhutan.

The Imperative of Name and Symbol

What is in a name? Everything. The ability to invent names and invest them with meanings is one of the unique achievements of human beings. A name is, therefore, more than nomenclature. It is the embodiment of an idea, the objective self of a subjective notion, the manifestation of a wish, a dream. A name is our other self, a proclamation of the identity of a being or of an object. A whole body of associations and meanings are invested with names. They carry enormous responsibilities and expectations. Names are therefore, extremely important.

Our national university is called the Royal University of Bhutan. In the first instance, the scope of the university covers the whole of the country. It is Bhutan's university. It is a university and in this capacity, the Royal University of Bhutan has to be true to the spirit of the highest traditions of university education. Most important of all, our university is Royal.

In this spirit, the Royal University of Bhutan is expected to symbolize and exemplify the nobility of person, thought and practice in its being as an institution. It has to imbibe and cultivate the highest standards of excellence in the means and ends of its pursuit. It has to aspire to be *royal* in the cultivation of the best minds to look for and to value what is true and good and beautiful. It is a rare privilege for the university to be called royal. It is a tremendous responsibility too.

Our university carries the Crown. It is the most elevated and sacred symbol of our country and our sovereignty as expressed by the person and majesty of our beloved monarchs. The crown represents the regal power of our kings as well as stands for the state. The crown has

associations with investiture, with coronation and with the royalty of kings and queens. The Royal University of Bhutan bears the sacred responsibility and honour of having to measure up to the standards that originate in the name and the symbol that it carries.

Conclusion

Our country has had the privilege of learning from the experiences of other countries to decide and develop a way of life and a development path that best suits the needs and aspirations of our people. Similarly, the Royal University of Bhutan has been singularly fortunate to have the opportunity of looking at the best practices from universities around the world and selecting a path that enables it to set standards in the best traditions of higher education and be a powerful instrument for the furtherance of our development ideal of gross national happiness.

The Royal University will serve our society's interests best, and promote happiness, if it "aims at raising the intellectual tone of society, of cultivating the public mind, at purifying the national taste, at supplying true principles to popular enthusiasm and sobriety to the ideas of the age, at facilitating the exercise of political power, and refining the intercourse of private life", as Newman desired.

Our university should aspire to be a community of teachers and students who are unconditionally committed to seek to know what we can understand how we can interpret the world with that understanding, and how that knowledge can be used. For certainly, as the famous German philosopher, Karl Jaspers, believed, "…the university is the place where both society and the nation come to the clearest self-realization."

The university can serve as a meeting point of the finest minds of the Bhutanese and the finest minds from far and near. The confluence of Platonic thoughts and the ideas of Newton, the truth of the Eight-fold Paths of the Buddha and the vision of Gandhi, the wisdom of Shabdrung and the mind of Shakespeare. The old faithful reading the scriptures as his food gets cooked by laser beams. The Royal University of Bhutan should be such a garden where every flower must bloom. We couldn't expect a university to do more to advance the ideal of gross national happiness.

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Barefoot College: Its Experience

Sanjit Bunker Roy[*]

My family saw to it that I received a very expensive education. I went to a very expensive public school called the Dune School. I also went to a college, St. Stephen's College. I was all set to become a doctor or ambassador or minister or some such thing. Then I decided to go to a village for the first time, in 1965. It changed my life because it was the first time I ever saw poverty face to face.

The education I got was very exclusive, very arrogant—just not in touch with reality. I told my mother one day: "I'd like to go to a village, and I'd like to dig wells, go 100 feet below the ground to try to find water." That was in 1967. My mother was horrified; she wouldn't speak to me for six months. She said, "What will the family say? You get the best education in the world and you go dig wells for five years."

But that is when my education started: living with very poor people with absolutely no resources at all. That is where the idea of the Barefoot College started—with the tremendous knowledge and skills and wisdom of very ordinary people living on less than 50 cents a day. I have tremendous respect for these people.

The Barefoot College is the only college in India for the poor. It was built by the poor and only for the poor. What was the first thing that the Barefoot College reflected of their lifestyle and work style? What the poor said was, "Just don't get anyone with degrees and qualifications into the college." They are the biggest threat to development today. As Mark Twain said, "Never let school interfere with your education."

So I listened to them and my learning process started then. I got only people who were dropouts, cop-outs and wash-outs from villages, very remote, in the middle of nowhere. We built the college together. We changed the whole concept of what is an expert. An expert for us is an ordinary man from another town—someone who has a different vision, someone who is practical, someone who is down to earth.

We had a water diviner in our place. I laughed at this man who said, "You hold the stick." So I held the stick and I felt very stupid. He said, "Walk," and I walked. He put his hand on my shoulder. I couldn't stand up like this. He said, "Bring it down, my child." I couldn't bring it down. He said, "Never laugh at things you don't know."

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[*] Founder of the Barefoot College, India.

So after 34 years I have put in 1,500 hand pumps—which today I think is not the right solution—but in any case, in every site I got the water diviner. Lo and behold, 99 percent of the time he was better than my geophysicist. Why is that? What has he got that we don't know already? We have traditional midwives today, delivering babies in villages. Regrettably, half of our members of Parliament are still alive today because of them. So they have knowledge and skills today that cannot be laughed at or looked down upon.

The Barefoot College is the only college that collects water from the roofs. It is also the only college which is fully solar-electrified. There are 45 kilowatts of panels on the roof: for the next 25 years we will have no problems with power. All my computers, my telephone exchange, my electronic mail, my photocopy machine—they all work from solar power. The beauty is that this was installed by someone who has only an 8th Standard Pass from a rural village. He fabricated it, he installed it, and he has been repairing and maintaining it since 1990.

If only we listened to people more! If only we listened to what they have to say, if only we had the patience to hear them! All the problems in the rural areas would be solved, I'll tell you. This is what the Barefoot College has demonstrated: that you really don't need a paper-qualified doctor, teacher or engineer. You have it all in the village. If only we had the capacity to learn how to communicate, all of our problems would be solved. So what did we learn from the Barefoot College? We have a network of Barefoot Colleges all over India, 20 Barefoot Colleges all over India. I think we serve in basic minimum needs over a million people in India. So what did we learn?

First, never let an expert come into your organization. We don't allow anyone from the World Bank, we don't allow any UN types to come into the organization. Because what do they have that you don't know already? What do they have apart from the money? They don't have the humility; they don't have the patience; they are just so arrogant it is unbelievable. So we don't allow any of them. That is one of the successes of the Barefoot College.

Second, it is very Gandhian. We live, eat, work on the floor. No one comes to the Barefoot College for the money. They only come for the challenge and for the job satisfaction. No one in the Barefoot College can get more than $100 a month, ever. Not even me. They come for the work, the challenge, and the interaction with communities today.

So what is our concept of happiness? If you can get two square meals a day to a person who is hungry, that is his concept of happiness. If you can arrange that women walk less than two kilometres a day for drinking water, and get water access right there, that is their concept of

happiness—for them, not for you and me—because it is so simple. We take everything for granted. But for them it is. If we can make sure that the babies survive, that is their concept of happiness.

How do you make that happen, how do you facilitate that? How do you make sure that it is possible? How do you make happiness into a partnership? How do you make sure that the community lives with you, and you live and work and learn—and unlearn—together? This is the concept of happiness to me.

So what do we do in the Barefoot College? We decentralize. We decentralize right down to the household level. And where it is possible to control, manage and own any processes at the village level, I think we are moving towards a concept of happiness, where there is a partnership involved. That is the first: decentralize.

The second is demystify. How do you demystify the most sophisticated of technologies for semi-literate, illiterate men and women? Today, all along the Himalayas from Ladakh to Sikkim, 300 villages have been solar-electrified by people who are all semi-literate or illiterate, but who are all staying in the village, with roots in the village. And, incidentally, there happens to be a solar engineer who is illiterate but still looks after repairs. So decentralizing and demystifying, I think is the key to happiness, as far as the villages are concerned. Mahatma Gandhi was once asked, "What do you think of western civilization?" He thought for a moment, and said, "It's a good idea."

We have traditional societies in India, which are so old, so respected, and we have turned our backs to them. It is time to revive them and turn to those people who have the knowledge and skills to be able to bring development with self-respect, to bring development with dignity. I think this is the way forward.

We have today put a challenge to the global community. We said in six months, you give us any dropout, cop-out, wash-out man or woman, from any village in India, or in the world, and we will make him or her into a barefoot solar engineer. We have done it in Ethiopia, we have done it in Sierra Leone, we have done it in Afghanistan, and we hope to do it in Bhutan one day. It is possible for any person.

To sum up: Gandhi said, "First they ignore you, then they laugh at you, then they fight you...and then you win."

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Bartering for a Better Future? Community Currencies and Sustainable Consumption*

*Gill Seyfang***

Abstract

Sustainable consumption is gaining currency as a new policy objective, requiring consumers to enact preferences for sustainability through the marketplace. But there is a limit to the changes in consumption behaviour which individuals can make within social institutions, and current policies do not question the materialism inherent in current development policies. New social institutions, or structures of provision, are needed to enable the lifestyle changes required for sustainability. This paper critically assesses the potential of one such alternative system of provision: namely money and exchange. 'Community currencies' is the generic term for a wealth of alternative types of money which are springing up in communities throughout the world to address social, economic and environmental needs. This paper presents new research findings and reviews experience of three distinct types of community currency with goals of sustainable consumption, each with a different purpose and design, and assess their potential as new institutions for environmental governance. The currencies examined are: Local Exchange Trading Schemes (LETS) which aims to rebuild local economies through cashless exchange; Time Banks promote volunteering, civic engagement and mutual self-help by rewarding unpaid work in the community; the previously unresearched NU-card, a mainstream 'green loyalty point' currency piloted in the Netherlands which incentivises sustainable consumption. This paper discusses the scope and potential of each of these models, the values they represent and the barriers they face, and will suggest possible ways forward for creating new social infrastructure for sustainable consumption.

Keywords: community currencies, LETS, time banks, institutions, governance, sustainability

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Introduction

Sustainable consumption is gaining currency as a new sustainable development policy objective, requiring widespread changes in behaviour at all levels of society to reduce the environmental impacts of consumption. While new international environmental governance institutions are growing upwards from state to global scale to tackle system-wide environmental issues, there is an increasing focus upon smaller-scale governance and citizen action at various sub-national levels, from local government to grassroots community groups and individuals. There is a growing policy emphasis on the role of socially- and environmentally-motivated individuals to exercise consumer sovereignty and transform markets through the minutiae of daily purchasing decisions. However a sociological analysis of consumption suggests that the scope of individuals and groups to change their behaviour is limited by existing social infrastructure and institutions – systems of provision – which 'lock in' consumers into particular patterns of consumption.

This paper examines one particular system of provision – namely money and exchange. A 'new economics' approach to analysing economic activity highlights the socially, environmentally and ethically unsustainable implications of the behaviour and consumption patterns promoted by the characteristics of modern mainstream money. For instance, these include the externalisation of environmental and social costs and benefits from economic decisions, resulting in 'rational' decision-making which promotes economic growth at the expense of ecological and social resilience. The new economics approach considers economic activity to be fundamentally embedded within social contexts, and so rather than proposing incentives for individuals, it articulates alternative social infrastructure and systems of exchange to rectify these problems. This paper critically assesses the role and potential of such an alternative infrastructure - regional and local socio-economic systems - to overcome the barriers to sustainability identified in conventional money systems. 'Community currencies' is the generic term for a wealth of alternative types of money which are springing up in communities throughout the world. There is a growing range of community currencies developing in the US and UK, among other countries, which address social, economic and environmental needs. They enable – and incentivise – particular types of exchange relationships and consumption patterns. While they are still small in circulation and impact, they deserve attention as potential models of alternative ways forward for sustainable economies and societies.

Previous research has examined the role of community currencies as providers of informal employment for the socially excluded (Seyfang, 2001c, 2004d; Williams et al, 2001) or as community-building tools (Williams, 1996; Seyfang, 2004c), the sustainability implications of community currencies have rarely been investigated (Seyfang, 2001a is one example). This paper makes a timely contribution to the debate on governance for sustainability by discussing the role and potential of community currencies to create new systems of provision and exchange which promote sustainable consumption by enabling individuals and groups to change their behaviour patterns. Empirical evidence of 'exemplars' of sustainable consumption initiatives is needed to inform policy, and here new research findings are presented to assess experience of three distinct types of community currency with goals of sustainable consumption. These are: Local Exchange Trading Schemes (LETS), time banks, and the previously unresearched Nu Spaarpas green savings scheme. This paper will discuss the scope and potential of each of these models, the values they represent and the barriers they face, and will reflect on the implications of these initiatives for theories of environmental governance and sustainable consumption in the context of building new systems of provision. Finally, it will suggest possible ways forward for community-level sustainable consumption with appropriate policy recommendations.

Sustainable Consumption: A Mainstream Strategy

Responsibility for environmental decision-making in its widest sense is shifting from central government to new sets of actors and institutions, at a range of scales (Adger et al, 2003). At the same time as new international governance institutions are growing upwards from state to global scale to tackle system-wide environmental issues (such as the Intergovernmental Panel on Climate Change), there is an increasing focus upon smaller-scale governance and action at various sub-national levels, from local government to grassroots community groups (by 'community' we mean both communities of place and communities of interest) and to individuals in everyday consumption decisions (Jasanoff and Martello, 2004; Seyfang, 2003a).

Over the last 15 years, 'sustainable consumption' has become a core issue on the international environmental agenda, and the growth in what is variably termed 'green' or 'sustainable' consumption has occurred alongside an increase in the range of individual environmental actions that the government wishes to encourage (DEFRA, 2003). From its auspicious entry onto the international stage at the Rio Earth Summit in 1992, the term 'sustainable consumption' evolved through a range of

international policy arenas, and its definition narrowed as it became more widely accepted as a policy goal. The more challenging ideas put forward in Agenda 21, the roadmap to sustainability adopted at that summit (UNCED, 1992) which concerned re-orienting development away from materialistic consumption, became marginalised as governments instead focused on politically and socially acceptable, and economically rational tools for changing consumption patterns such as cleaning up production processes and marketing green products. In the late 1990s, the OECD began researching what sustainable consumption might mean to member states, and concluded that market failure was the prime cause of unsustainability. In this strongly libertarian perspective, governments are therefore expected to correct prices and provide regulatory frameworks to influence producers to be more eco-efficient and offer consumer choices of 'green' products (OECD, 2002). This perspective on of sustainable consumption has become widely adopted by governments, hence its description here as the 'mainstream' model.

The UK government's approach to sustainable development is founded upon a belief that stable and continued economic growth is necessary, and is compatible with effective environmental protection and responsible use of natural resources ('cleaner growth') (DETR, 1999). In 2003, the UK Government announced its strategy for sustainable consumption and production which also follows this approach. It defines sustainable consumption and production as: "Continuous economic and social progress that respects the limits of the Earth's ecosystems, and meets the needs and aspirations of everyone for a better quality of life, now and for future generations to come" (DEFRA, 2003:10). In practice, this emphasises decoupling economic growth from environmental degradation, to be achieved through a range of market-based measures: making the polluter pay, eco-taxes, government purchasing initiatives, consumer education campaigns and instituting voluntary eco-labelling schemes. So the agenda has narrowed from initial possibilities of redefining prosperity and wealth and radically transforming lifestyles, to a focus on improving resource productivity and marketing 'green' or 'ethical' products such as fairly traded coffee, low-energy light bulbs, more fuel-efficient vehicles, biodegradable washing powder, etc.

The UK government, following the mainstream model, places individual consumers at the heart of its sustainable consumption strategy, calling on informed and motivated citizens to use their consumer sovereignty to transform markets by improving environmental and social aspects of production and product design (DEFRA, 2003). It cites the growth of fair trade, green and ethical consumerism as evidence that producers are responding to the signals sent by individuals, and

relies upon economic instruments and markets to facilitate these changes. As such, it is a highly individualistic strategy, which assesses consumption behaviour in terms of consumer incentives and market signals.

Critics of this mainstream strategy for sustainable consumption point to a number of failings in this approach related to its individualistic and overall-consumerist foundations, which they claim limit the effectiveness and scope of these measures. These are: that the mainstream strategy for sustainable consumption relies upon market signalling, which in turn is based upon pricing regimes which systematically externalise social and environmental costs and benefits; that it fails to consolidate improvements made over time, leaving them vulnerable to changes in consumer attention and concern; that it makes only consumer markets available to transformation, while significant consumption from producer industries, and institutional consumption through the public sector are immune to sustainable consumerism by individuals (which raises the issue of sustainable public procurement); that it neglects the social meanings and context of consumption which compete for influence with environmental motivation; that it is largely premised on assumptions that greater material consumption equate with well-being; that it affords the right to influence the market solely on those able to participate in that market; that it pits individuals against globally powerful corporations in an inequitable struggle; and most significantly, that it fails to see the social infrastructure and institutions which constrain choice to that available within current systems of provision (Maniates, 2002; Sanne, 2002; Seyfang, 2004a,b; Southerton et al, 2004).

An Alternative, New Economics Approach

Given that current systems of provision prevent significant changes in consumption patterns, what can be done to overcome this limitation? Efforts to create alternative systems of provision, with associated social and economic institutions and infrastructure, require a foundation in alternative values, development goals, motivations, and definitions of wealth. They draw out the richer sociological meanings attached to consumption and point to collective institutions as the source of potential change. Such an alternative theoretical approach to governance for sustainability and sustainable consumption is proposed by a broad body of thought known collectively as the 'new economics' (Douthwaite, 1996; Robertson, 1999). This movement crystallised from a number of alternative thinkers in the mid-1980s who came together to organise The Other Economic Summit in 1985, a progressive meeting of green economists which shadowed the G7 summit of heads of state of major

economic powers (Ekins, 1986). Following this meeting, the New Economics Foundation was formed, and has developed to become a leading self-styled 'think and do tank' which promotes 'real economic well-being' (Shah and Marks, 2004).

This is an environmental philosophical and political movement which is founded on a belief that economics cannot be divorced from its foundations in environmental and social contexts, and that sustainability requires a realigning of development priorities. It is a theory that environmental wealth, and the value of labour to sustain communities and families, must be recognised, accounted for, and protected in order to support the market economy which rests upon this bedrock. This theory stresses the benefits of decentralised social and economic organisation and local self-reliance in order to protect local environments and economies from the negative impacts of globalisation, and reducing the scale of material consumption. The scale of economic activity and the level at which decision-making and social organisation occurs is a core aspect of these writings, as witnessed by their titles, for example Fritz Schumacher's 'Small Is Beautiful' (1993 [1973]) and Kirkpatrick Sale's 'Human Scale' (1980). The costs of globalisation these analysts identify include: capital flight out of the margins; local economic conditions being determined by global forces, as witnessed by industrial relocation resulting in areas of economic decline, despite a wealth of local skills and labour, and work that needs to be done; environmental degradation resulting from externalities such as global transport of goods, and lack of visible feedback mechanisms; erosion of local knowledge about environmental management; and an exclusive focus on the monetary economy at the expense of the environment and the unpaid social economy, the bedrocks upon which the conventional economy relies. In such cases, the argument for localisation is that more local control and decision-making power over economic, social and environmental conditions would improve quality of life. Simultaneously, the case is made that the material consumption which this economic growth provides does not significantly increase society's well-being or life satisfaction. The conclusion drawn from both these observations is that development should be reoriented towards promoting well-being rather than growth, and (Jacobs, 1984; Galtung, 1986; Douthwaite, 1996; Robertson, 1999; Henderson, 1995).

However, these theorists do not call for isolated self-sufficient communities; rather they employ the principle of subsidiarity in asserting that decisions should be made at lowest effective level, whether those decisions are economic, environmental or social (Ziman, 2003). It is certain that for many issues, such as railways, hospitals and education,

regional, national and international coordination is required, but in the case of the environment, the most appropriate level for decision-making is not necessarily global – actions require very local decisions, especially in the case of individual consumers and producers, albeit in a context of global environmental awareness. This strategy also embraces many positive aspects of globalisation – for instance popular international worker solidarity movements and consumer organisations have created global networks of activists, linking producers with consumers across the world to lessen the psychological 'distance' between them and foster supportive links (Brecher et al, 2000). At the same time, international environmental agreements and global sustainability conferences bring nations together to address issues outside the scope of national borders or laws. James Robertson describes this process as 'evolution from today's international economy to an ecologically sustainable, decentralizing, multi-level one-world economic system' (Robertson, 1999:6). It calls for a new kind of citizenship of humanity as a whole, one which expands across borders (as does environmental change) and which recognises the political implications of private decisions and so defines everyday activities of consumption as potentially citizenly work. Dobson calls this 'ecological citizenship' (Dobson, 2003).

This is an equity-based understanding of environmental governance, drawing on 'ecological footprinting' methodology to define, visualise and address injustice. This technique calculates the area of 'ecological space' (of resources and pollution-absorbing capacity) taken up by individuals, cities and countries, and finds that the ecological footprint of the developed world is far larger than its geographical area - ie it uses a far greater proportion of the world's resources than an equitable distribution (an equal per capita share of a fixed amount of environmental space) would suggest (Wackernagel and Rees, 1996). Sustainable consumption, for new economists, requires citizens and governments to take action to reduce the size of our ecological footprints to take up only a fair share of resources. This means cutting material consumption to levels which are globally equitable, and adjusting lifestyles to match – backing up calls from the new economists to re-orient economic policy to promote well-being rather than its current proxy, GDP (Shah and Marks, 2004).

In this model, key priorities are localisation, self-reliance, civic participation, embedded economic relations, building social capital and cohesion, and reducing ecological footprints through cutting material consumption. These in turn reduce environmental impacts, promote subsidiarity in environment decision-making and empower individuals – within a collective context – to build alternative systems of provision

which are based upon different conceptions of wealth, progress, etc, and through these allow people to behave as ecological citizens. This paper considers one such alternative provisioning system, namely systems of exchange. Community currencies are one tool put forward by proponents of the new economics to achieve these aims. Before exploring community currencies in more detail, it is worthwhile examining precisely what it is about conventional systems of exchange that the new economists seek to replace.

Conventional and Alternative Exchange Systems

What's wrong with mainstream money?

The system of provision this paper is concerned with is that of exchange and money. What are the characteristics of the current mainstream money system? According to mainstream economic theory, money is a politically and socially neutral technology, with four core functions: as a medium of exchange, a unit of account, a store of value, and a standard of deferred payment (Begg et al, 2002). According to this theory, the more mobile, efficient and widely accepted a currency is, the better it will perform its functions. Sociological and political, not to mention environmental critiques of this notion lead the new economists to challenge this assumption on a number of grounds (Hutchinson et al, 2002; Dodd, 1994).

First, they argue that the functions of money – particularly medium of exchange and store of value – contradict each other. The fact that money is both a symbol (used for exchange) and a commodity itself (an item to be stored) encourages people to hoard money, removing it from circulation and thus reducing the amount available for transactions. It is a characteristic of modern economies that a shortage of money – supposedly the measuring stick of the economy – results in the paradox of having people with skills and labour to offer, plus work that needs to be done, but without the money to bring them together, the result is unmet needs and unemployed workers. This tendency has been observed by economists back to Gessel (1958) and Keynes (1973 [1936]), who promoted policies to ensure greater monetary circulation. A preferable solution, the new economists claim, would be to split the functions and have separate currencies for each purpose, so ensuring a ready supply of money for trade regardless of stores of value (Greco, 1994; Douthwaite, 1996).

Second, the mobility of money is not necessarily a good thing for local economies, according to these analysts. It results in 'capital flight' away from peripheral economic areas and towards centres, so draining

regions and communities of the means of exchange. This centralising tendency, whereby money is concentrated in a few areas at the expense of other areas, is one of the economic costs of globalisation which the localisation movement seeks to address. National currencies are best suited to national-level and international transactions, and in performing this role, do not serve the needs of local communities well, according to the new economics analysis, which criticises the 'dissociated' nature of modern money (Douthwaite, 1996; Robertson, 1999). Local economies are strengthened when money circulates many times within an area before leaving – known as the multiplier effect. New economics favours money that remains in a local area rather than migrating, and which is 'embedded' or founded within *local* social relations and environments, imbuing it with local significance and placing economic transactions and consumption itself within a profoundly *social* context (Greco, 1994; Lietaer, 2001).

Third, the current pricing regime upon which mainstream money is founded values some kinds of wealth and overlooks others, with profound implications for the signals sent by markets and hence development goals in general. Environmental and social costs and benefits are externalised from economic prices, and so are not accounted for in economic decision-making. This results in economic behaviour which degrades social quality of life and the environment, but which is entirely rational within the market framework (Jackson, 2004). Economic rationality is a tightly-bounded world, divorced from ethical, social and environmental contexts, and arguably never intended to be considered away from these overarching – and fundamentally important - frameworks. New economists – and increasingly the are joined by environmental economists working within the mainstream - argue that the dominance of markets at the expense of non-marketed aspects of life has gone too far, and argue for pricing to account for the full costs and benefits of activities, to enable genuinely rational decisions to be made which values all types of wealth, not merely that which is marketed (Robertson, 1999; Douthwaite, 1996; Daly and Cobb, 1990). This has implications for quality of life, justice, work and welfare.

Fourth, mainstream money and its system of exchange actively promotes particular types of behaviour and discourages others, and the implications of these effects are detrimental to sustainable consumption. For example, employment within the formal economy is rewarded while unpaid community labour is not; furthermore, the political structures surrounding the system of exchange reinforce this through the state benefits system by actively undermining people's capacity to undertake unpaid work and insisting that they enter formal employment. By

redefining what is considered 'useful work' and 'wealth', new economics aims to build a system of exchange provision which does not make these judgements, and which is more enabling of community participation and engagement through valuing all kinds of productive activity regardless of whether it takes place in formal employment or not. It suggests that the societal system of income distribution (currently based upon formal employment) should be altered, to remove the privileged position which formal employment currently has over other types of socially-useful work (Boyle, 2004; Robertson, 1999).

Proposing Community Currencies

This section has outlined how the current system of provision of money and exchange mitigates against actions and activities for sustainable consumption, and limits the scope of lifestyle changes which are possible within this system. The solution which a new economic analysis suggests is to create new, alternative exchange systems which rectify these negative aspects. 'Community currencies' is the generic term for a wealth of contemporary alternative exchange systems which exist alongside mainstream money, and which have been springing up in developed and developing countries since the 1990s to address the problems listed above.

The key to understanding the role and function of community currencies is to view all money systems as social infrastructure: the design of exchange mechanisms builds in particular purposes and characteristics to each type of money, which in turn promotes particular types of behaviour. Lietaer states "Money matters. The way money is created and administered in a given society makes a deep impression on values and relationships within that society. More specifically, the *type* of currency used in a society encourages – or discourages – specific emotions or behaviour patterns" (Lietaer, 2001: 4). Mainstream money is a system which prioritises a narrowly defined range of economic activities, in isolation from social and environmental contexts, and so inhibits sustainable consumption. Therefore new systems of exchange need to be invented, specifically designed to serve different ends by taking a 'whole systems' approach to the economy-society-environment context of economic activity. While these may be less efficient from a purely economic viewpoint, they are actually *more* rational when one incorporates environmental and social factors into the equations (Greco, 1994; Boyle, 2002; Seyfang, 2000; Lietaer, 2001).

Alternative money systems are not new; efforts to reform, replace and redesign money have a long and rich history around the world as a tool to support local economies in times of recession (when conventional

money is worthless or in short supply), and it is only in recent decades that the notion of having an exclusive national currency became the norm (Seyfang, 2000; Tibbett, 1997; Douthwaite, 1996; Boyle, 2002). In recent times they have emerged in both developed and developing countries as community responses to the economic, social and environmental pressures of globalisation and economic restructuring, and the social embeddedness of economic relations has become a more significant objective (Seyfang, 2001b). For example, community currencies have arisen in Mexico, Uruguay, Senegal, Thailand, Japan (DeMeulenaere, 2004), and in Argentina, alternative money systems traded in barter markets and conceived as a 'solidarity economy' by local environmentalists became real lifelines for much of the population during the national economic crisis in 2001-2 (Pearson, 2003). Viewing consumption as a profoundly social activity, the community currencies explored here all combine economic with social objectives, in order to adjust the trajectory of consumption patterns (see Dodd (1994) for a good introduction to the sociology of money). In addition to these 'social' currencies, a range of virtual currencies is now in use across the globe which are rarely thought of as alternative exchange systems, but which nevertheless function as mediums of exchange, units of account and stores of value: air miles and supermarket loyalty points are two common examples which demonstrate the plurality of money in everyday use (Boyle, 2003; Lietaer, 2001).

Having described the problems associated with mainstream money and the conventional system of exchange, an alternative has been described: complementary exchange systems designed to address these problems and enable more sustainable consumption patterns. How effective are these community currencies at overcoming the drawbacks of mainstream money institutions, and facilitating sustainable consumption? The next section will review experience with three distinct types of community currency, each designed for a different purpose: Local Exchange Trading Schemes (LETS) which aims to rebuild local economies; Time Banks which promote civic engagement and mutual self-help; and NU-card, a 'green savings' currency which incentivises environmental lifestyle changes and sustainable consumption.

Examining Community Currencies: Three Examples

A Green Local Economy: Local Exchange Trading Schemes (LETS)

The most common types of community currency in the UK is LETS, Local Exchange Trading Schemes, which was developed in Canada, and pioneered in the UK in 1986. A LETS operates a virtual currency to enable

members to exchange goods and services without using cash, using local credits instead. LETS emerged in Canada as a response to the negative impacts of globalisation and economic restructuring, bringing unemployment and social fragmentation. This type of local money system was specifically designed to address the first two failings in mainstream money outlined above: namely that an abundant medium of exchange is required for a community to trade amongst itself, which circulates locally and cannot leave the area. LETS also seek to build community and create 'convivial' economies, embedded in local social relations. They aim to enable people to help themselves through work and exchange, without suffering externally-imposed limitations such as that of the systematic withdrawal of money (Lang, 1994).

Members of a LETS list their 'wants' and 'offers' in a local directory then contact each other and arrange their trades, recording credits and debits with the system accountant. The currencies often have locally-relevant, idiosyncratic names such as 'shells' in Kings Lynn, or 'bricks' in Brixton, and aim to instil a sense of local identity. No interest is charged or paid, so there is no incentive to hoard credits, and exchange becomes the primary objective. Most LETS are small, voluntary organisations run by local activists, but they have increasingly been championed by local authorities under the aegis of LA21 as a tool for local economic renewal, community building and environmental sustainability. LETS has grown to about 300 schemes in operation at present, with an estimated 22,000 people involved and an annual turnover equivalent of £1.4million (Williams et al, 2001).

Research has shown that LETS deliver small, but significant, economic benefits to members, providing new opportunities for informal employment and gaining skills, and enabling economic activity to take place that would not otherwise have occurred. But their social impact is much greater, as they build social networks, generate friendships and build personal confidence. LETS also encourage 'green' consumption activities in a number of ways: they promote local suppliers of food and other goods, reducing 'food miles' and the hidden costs of international transport associated with the conventional economy; they promote shared resources among members of a community, and so cut individual consumption, for example lift-sharing, hiring equipment and facilities; and they encourage recycling of goods, as members find a market for their unwanted items (Seyfang, 2001a). Some LETS have evolved to issue local currency notes, so removing the burden of reporting transactions to a central accountant, and enabling the currency to spread further in the area – even through local businesses in some areas. These notes often affirm 'in each other we trust', 'in community we trust' (rather than 'in

god we trust' as seen on US dollar notes). In these ways, LETS can be seen as a tool for building more self-reliant, socially-embedded local economies, a strategy proposed widely by environmentalists as a protective measure against external economic shocks from the global economy. For these reasons, LETS has been championed as a tool for building green economies (Douthwaite, 1996).

However, despite this potential, LETS have remained small and marginal in economic terms, due to a number of internal and external factors limiting their growth. These are that LETS need to develop and grow to fill the large 'skills gaps' which presently exist, meaning that it is difficult to find staple goods and services on the schemes; they need financial support to scale up and attract new members to fill these gaps; they tend to operate in a 'green niche', attracting people who agree with the principle but have little time to participate, and indirectly excluding others.

Finally, government regulations are a significant obstacle. Current social security rules deter benefit-recipients from participating in local exchange systems like LETS, by counting LETS earnings as equivalent to cash income, and so potentially threatening means-tested benefits when levels exceed a given limit (currently £5 a week). Although most LETS members rarely trade above this level, the message is nevertheless sent out from government, loud and clear, that it disapproves of benefit-recipients undertaking such activities, and this message is sufficient to inhibit participation by the most excluded groups in society. By placing mutual support initiatives like LETS in the same category as informal employment (and decreeing it to be incompatible with receiving state benefits), the government is effectively stopping people from finding creative self-help solutions to the problems of unemployment – not simply in terms of actual work and income, but also through increased self-esteem, widened social networks, and the growth of trust and mutual support in deprived neighbourhoods. A turnaround in state thinking is needed to actively promote LETS through policy initiatives which frame LETS-type schemes as positive endeavours for the poor and unemployed for the full range of social and economic reasons (Seyfang, 2001a, c; Williams et al, 2001).

Spending Time Building Sustainable Communities: Time Banks

The second wave of community currencies in the UK is 'time banks', which are based on the US time dollar model developed by Edgar Cahn, and aim to rebuild supportive community networks of reciprocal self-help, particularly in deprived neighbourhoods. Referring back to the list of problems associated with mainstream money, time banks address the

fourth cited failing, which is that certain types of labour are valued and others neglected, producing perverse incentives which undermine social cohesion. Time banks explicitly value and incentivise the work which goes on in the 'core social economy', the bedrock of society upon which the formal economy rests – raising children, caring for elders, community volunteering, helping neighbours – in order to strengthen communities' capacities to support and care for themselves through the development of social capital (ties of reciprocity and trust). This has immediate impacts on educational achievement, health, crime levels and personal development.

A time bank operates like a reciprocal volunteering scheme, with a central broker to coordinate members activities. The principal characteristic of time banking is that everyone's time is worth the same amount – one time credit per hour – regardless of the nature of the work provided. Participants earn credits by helping others, and spend them receiving help themselves (Cahn, 2000). The first UK time bank was set up in 1998, and the 2002 national evaluation found that there were 36 active time banks, with an average of 61 participants each, who had exchanged (given or received) a mean of 29 hours each. This equates to 2196 participants in total, and nearly 64,000 hours exchanged (Seyfang and Smith, 2002). By 2004, there were 68 time banks up and running, according to Time Banks UK (www.timebanks.co.uk). Time banks aim to overcome the limitations of LETS by being based in mainstream institutions (health centres, schools, libraries), paying coordinators for development and support work, and most importantly, for brokering transactions between participants (Seyfang, 2002). They attract members of the most socially-excluded groups in society – the unemployed, ethnic minorities, people with disabilities (those who normally volunteer least), and are often introduced into marginalised areas where building trust and neighbourliness is a challenge which the conventional economy cannot meet – but which time banks can address, and which is essential for sustainable development. While some might argue that time banking is simply institutionalising existing informal exchange networks, research shows that this is not the case, and that a large proportion of the time exchanged would not have happened without the time bank. In other words, time banks are an institution which aims to recreate the informal support networks that some take for granted, but which are so obviously missing in fragmented, deprived neighbourhoods and for isolated individuals such as the elderly, the housebound and the unemployed (Seyfang and Smith, 2002).

In addition to this 'community time bank' model, time banks can also be used as a 'coproduction' tool to encourage people to becomes

involved in the delivery of public services which require the active participation of service users in order to be successful, for example health, education, waste management, local democracy, etc (Cahn, 2000). By rewarding and encouraging civic engagement, time banks – a community currency designed for a specific social purpose - could invigorate active citizenship. Preliminary findings from the 2004 national survey of UK time bank coordinators reveal that time banking is being used to promote more sustainable consumption and environmental governance through 'ecological citizenly' action in a variety of ways. Mount Libanus time bank in Wales has organised a 'planning for real' community visioning event, and plans to use the time bank to encourage greater community involvement and sense of ownership of local environmental projects. This time bank and others reward participation in local community forums and housing associations with credits, promoting engagement in local decision-making. The Hexagon Housing Association in London covers 5000 properties in five boroughs (mainly the low-income areas of Southwark and Lewisham), and is incorporating time banking into its business model, as a tool to promote sustainable, cohesive communities. It is starting out by providing DIY and first aid training courses in exchange for time credits, and hopes this will empower residents to share skills, provide mutual support and develop a sense of community pride (and reduce maintenance costs for the association). Already, the time bank coordinator reports that those taking part are primarily the more traditionally excluded groups, and that neighbourliness and interactions have increased. Other projects here and in other time banks include linking with local recycling efforts to reward waste minimisation and separation efforts, rewarding members with low-energy lightbulbs, and community gardening. In Glasgow, time bank participants can spend their credits on fresh fruit and vegetables delivered direct from the market to the community, improving local diets and nutrition. In these cases and dozens of others, the interdependence and social contacts which these small exchange create are the most important aspect of the transaction, fostering community spirit, self-worth and engagement (see www.timebanks.co.uk and www.londontimebank.org.uk for more information on individual projects).

Furthermore, "co-production is a framework with the potential for institutions … to achieve the elusive goal of fundamental and systemic change" (Burns, 2004) by re-conceptualising the role and purpose of those institutions from the bottom up, and reframing them in terms of empowered participation and civic action. For instance, education provision could evolve to become a system of enabling people to teach

each other; health services can be revolutionised by capturing the expertise, time and energy of patients to help each other, and local government could harness the energy of communities to not only receive, but also design and deliver local services in a genuine spirit of reciprocity. Time banks are indeed a new infrastructure of income distribution for society, where income is not dependent upon one's value to, and activity in the formal economy. In this way it echoes calls for a non means-tested 'citizen's income' where basic provision is made for all individuals on an unconditional basis – thereby ensuring that vital socially reproductive work is valued and carried out, and the infrastructure of income distribution is changed so that income is no longer dependent upon formal employment (Citizen's Income Trust, 2004; Boyle, 2004).

The radical of valuing all labour (or time) equally seeks to explicitly recognise and value the unpaid time that people spend maintaining their neighbourhoods and caring for others. Thus voluntary work is rewarded in credits, and so incentivised, rather than squeezed out by the conventional economic system which accords it no value. For socially excluded individuals and communities, whose skills are accorded no value in the mainstream economy, the opportunity to be valued and rewarded for one's input into community activity and for helping neighbours, is enormously empowering. It also sends a powerful message to top-down service providers about the wealth of abilities in deprived neighbourhoods, rather than repeatedly emphasising needs and deficiencies. In fact, the most significant benefit of time banking, for many participants, was the opportunity to redefine what is considered 'valuable' (Seyfang, 2004d), in other words: *creating and putting into practice new institutions of wealth, value and work* which are necessary for sustainable consumption and development (Shah and Marks, 2004; Robertson, 1999; Ekins, 1986).

Time banks in the UK still face limitations in achieving their potential and have yet to be fully mainstreamed into public service provision. These are: large 'skills gaps' in projects which again presents a limited range of services available in exchange for credits; difficulty becoming established, as projects take a long time to develop yet they are reliant upon short-term funding; and reciprocity is slow to materialise due to a cultural shift needed to alter the reluctance of participants to ask for help. Government regulations are again a stumbling block for the implementation and uptake of this system of exchange. In the case of time banking, (which is presented as mutual volunteering rather than an alternative monetary system), the unemployed are officially encouraged to participate, for social and community reasons, but may only exchange

their credits for services, not goods. As time banks have developed in the US, material incentives for earning credits (donated refurbished computers, meals, household goods and so on) have been a major factor in encouraging participation from youth groups and the poor. This strategy is threatened in the UK by present government regulations which count their value as monetary income which is counted against social security benefits.

Another state obstacle is that those in receipt of incapacity benefits are deemed to be capable of working if they take part in time banks, and so risk losing their benefit payments. This is a short-sighted and misguided policy, as much time banking work is carefully targeted towards the abilities of participants, so for example a housebound person might earn credits for making telephone calls to others, but still be incapable of conventional employment. Furthermore, the social and personal gains from taking part ameliorate the social exclusion associated with disability, and so participation from these groups should be particularly encouraged (Seyfang, 2003b, 2004c,d; Seyfang and Smith, 2002).

Rewarding Sustainable Consumption: NU Spaarpas

A third example of a local currency designed for a specific purpose is the NU-card, a 'green loyalty point' currency which has recently been piloted in the Netherlands. This currency is designed to promote environmentally-friendly consumer behaviour, and acts like a reward card. It is an incentive scheme which specifically seeks to overcome the market disincentives to consume sustainable or ethical products, which are produced by the systematic externalisation of social and environmental costs and benefits from market prices. In other words, if mainstream money effectively incentivises unsustainable consumption, then NU is a prototype system which reverses those hidden subsidies by rewarding more sustainable behaviour. This is based on a marketing assumption that "it is better to approach people in a positive and stimulating way than in a negative and restrictive manner" (van Sambeek and Kampers, 2004: 13) – in other words, promoting sustainable consumption using carrots rather than sticks (Holdsworth and Boyle, 2004).

Points are earned when residents separate their waste for recycling, use public transport, or shop locally. Extra points can be earned by purchasing 'green' or 'ethical' produce (such as organic food, fairly traded goods, recycled products, rental, repairs etc) at a range of participating local stores. The points can then be redeemed for more sustainable consumer goods, public transport passes, or cinema tickets

(in other words, spare capacity in existing provision which incurs no additional costs), or donated to charity. In this way, there are incentives to change behaviour both when earning and spending the points, and private businesses benefit at the same time as public goals are met. The points circulate in a closed-loop system, and card scanners in participating shops feed data into a central set of accounts.

The initiative was founded by the Rotterdam Municipal Authority, and was a partnership between local government, local businesses, and non-governmental organisations – specifically Barataria, a sustainability consultancy organisation; it also received funding from the European Union. The idea was developed during the 1990s, and officially born at a meeting of the Rotterdam Local Agenda 21 in 1998. It was prompted by several government objectives: reducing waste entering landfill, promoting public transport use, and generally raising environmental awareness and sustainable consumption. This currency was introduced in the city of Rotterdam in the Netherlands in May 2002, and by the pilot's end in October 2003, 10,000 households had the card, over 100 shops were participating, and 1.5 million points had been issued. It adopted a high-profile, professional marketing approach to raising public awareness of the scheme, and cost two million euros to establish and run for the period. Due to a slow build-up of members, changing strategies for issuing points, and the time taken to acclimatise to the project, the organisers felt that making pronouncements about changes in consumer behaviour during the short pilot were premature. Nevertheless, they do point to a growth in the number of points issued from shops as time progressed, and a telephone interview with a sample of cardholders revealed that five percent of participants reported changing their behaviour (of buying organics, separating waste, and buying second-hand goods) as a result of the NU card – reporting that being 'rewarded' for making certain choices was the influencing factor. The NU scheme also made shop owners more aware of the different types of products they sold, but within the short lifetime of the pilot, no actual changes in provision can be attributed to the project.

The NU concept is currently seeking funding to be rolled out to Amsterdam and the rest of the Netherlands, and future implementations would benefit from lessons learned in Rotterdam –for example there are plans to make the card scheme self-sustaining financially, through charging clients (eg. government) for meeting their objectives using the scheme. The ideas are also spreading abroad as a specific-purpose monetary tool for incentivising sustainable consumer behaviour (Bibbings, 2004). Like time banking, it rewards actions which are seen as positive, building on psychological responses and self-esteem to grow

sustainability, rather than guilt, exhortations to action, and punitive measures. Of the three alternative money systems examined here, NU is the most 'mainstream', as it exists comfortably alongside mainstream money in regular everyday transactions, simply altering the incentives offered by market prices, and is easily understood by a public accustomed to savings points. Nevertheless it represents a profound shift in the infrastructure of exchange, as it uses a value system different to market prices which is based upon sustainability principles, yet "the NU card scheme can present itself as a reliable channel for sustainability, and also offers low-threshold information that the consumer needs at time of purchase" (van Sambeek and Kampers, 2004: 77).

Conclusions and Policy Implications

Community currencies have been put forward as a response to the failings of mainstream money – the conventional system of exchange – to promote sustainable consumption. They emerge from a new economics analysis which identifies socially-embedded local economies as potentially more sustainable forms of development. The preceding section of the paper described three distinct examples of community currency and assessed their effectiveness and potential to constitute alternative systems of exchange to favour sustainable consumption. The findings of this study are that community currencies are indeed fledgling attempts to build new social and economic institutions founded upon different values to mainstream systems of provision, with implications for environmental governance, sustainable consumption. The community currencies examined here are successful at overcoming each of the drawbacks of mainstream money discussed above, and building alternative exchange systems which answer the need for sustainable consumption. Specifically, they provide a medium of exchange which circulates alongside scarce national currency to provide new opportunities for economic activity; they are place-specific, retaining roots in local communities, and they are not mobile, which means they circulate within a given area and do not drain away, boosting local self-reliance; they can correct the misleading market signals offered by the conventional economy, allowing people to incorporate social and environmental factors into their valuations and purchasing decisions; and finally, they recapture 'work' from the formal economy and place it at the centre of a 'whole systems' approach to the economy, valuing and rewarding the development of social capital and active citizenship.

Community currencies are found to be prized channels for the expression of values which are squeezed out of the conventional economy, and demonstrate a deep-rooted desire for systems of provision

and exchange based upon assumptions and priorities quite different to that of mainstream money. Furthermore, they answer the need for sustainable consumption at a fundamental level, by adjusting the incentives, structures and institutions within which society transacts and so re-orienting it towards new sustainability goals. They have emerged as grassroots responses to problems with mainstream money, and operate in a variety of contexts in developed countries, from neighbourhood friendship networks to city-wide savings cards. Community currencies are not a blanket cure-all for sustainability. Their individual success is dependent upon being locally-specific, adapted to particular local situations, social contexts and objectives of the initiatives, and while generalised models are available, they should be fine-tuned to the location and objective they are targeted at.

While the scale of these examples is presently small, they have demonstrated that they do achieve their objectives and have the potential to achieve much more if scaled up and mainstreamed. Each of these case studies might be considered experimental prototypes for future multi-currency developments. They demonstrate that the existence of plural monetary infrastructures is possible, and is effective at enabling more sustainable consumption patterns, within the limits of scale as currently operationalised. In so doing, they point to possible future developments which might take these principles and evolve them into something embedded within daily life for millions of people, transforming society's behaviour towards sustainable consumption and production principles.

These examples are suitable for local applications. Other types of currency could similarly be designed for other scales of circulation and function, resulting a multi-tiered variety of currencies, each designed for their role. For example, Bernard Lietaer, senior Central Bank executive in Belgium and designer of the European Currency Unit, projects from historical and current developments in money, to envisage a four-tiered monetary system in the future, where corporations and individuals deal with multiple currencies routinely – much as we do today with payment of air tickets in cash and air miles, for instance. The top level would be a 'global reference currency', one which is not tied to any nation state, and whose objective is to provide a stable and reliable reference currency for international trade. It is based upon a basket of standard internationally traded commodities such as gold, copper, wheat. Lietaer suggests that such a system might evolve from the range of competing international corporate scrips, presently used for moneyless trade between firms: in the US, 400,000 businesses belong to nearly 700 barter exchanges, totalling $8.5 billion in cashless trade. This trade is growing at 15 percent a year, three times faster than dollar commercial exchange (Lietaer,

2001:291). The second layer of monetary systems would, in this model, comprise three multinational currencies, each used by a number of geographically-close countries – the NAFTA dollar, the Euro, and an ASEAN currency. The third layer is some remaining national currencies outside or alongside the multinational currency regions, with the difference from today that they no longer hold a monopoly over issuing money. The fourth layer of this model is local community currencies - local economic and social currencies such as the ones outlined in this paper to meet local needs and build social capital. Lietaer suggests these could expand their scale and influence as communities self-organise in response to the structural changes accompanying globalisation, and once a critical mass is reached, they would be widely adopted and exchanged through community internet clearing houses (Lietaer, 2001). Together these could provide complementary tools which add up to a system of provision designed for sustainable consumption and development by rewriting the rules of exchange (Seyfang, 2000; Boyle, 2003; Robertson, 1999).

In order for this evolution to occur, a number of policy changes are required, the most fundamental of which is a shift in thinking and organisation, away from top-down command and control of the economy, and towards a more open, flexible, adaptable structure which allows experimentation and the spontaneous emergence of new exchange systems (Lietaer, 2001). First, governments need to recognise the benefits delivered by participation in community currencies as being valuable for local economies, communities, and environments. This in itself would necessitate a rethinking of social policy and a redefinition of 'work' in order to cease the privileging of formal employment over all other types of work, and would also require policy to consider a whole systems approach to economic activity, and realigning economic policy to meet broader sets of objectives. Community currencies offer new infrastructure for income distribution, new pricing regimes and new economic rationalities which work in favour of sustainable consumption, for example by encouraging recycling and sharing, and enabling more local needs to be met with local resources. Second, other than where businesses are involved, this official recognition should not lead to treating community currency transactions as equivalent to conventional economic activity, with associated taxes, benefit restrictions, etc. Community currencies benefit those on the margins of society – those on low incomes and outside the labour market for whatever reason; it is perverse to penalise those very groups from participating through social security benefit regulations, as we have already seen. Third, funding is needed to allow these projects to develop and grow over sustained

periods, attracting broad cross-sections of members and becoming more familiar to the public at large. And finally, government should embrace the possibilities offered by community currencies to deliver public services more effectively and achieve policy objectives across a range of areas, using alternative exchange systems as a tool to get to places and motivations where mainstream money cannot reach.

For example, taking part in LETS can be valuable 'occupational therapy' for the unemployed, enabling them to learn new skills and develop confidence. Time banking and co-production are tools which could change the way we think about public service provision, resulting in participative and empowering genuine partnerships for health, education, and development. And the NU card could be used to boost recycling rates, cut congestion by promoting public transport, and support local businesses.

A key characteristic of resilience and adaptability is diversity. The challenges facing us across the globe demand action both to mitigate, and adapt to environmental, social and economic change. Arguably, a diverse range of systems of provision, extending beyond the confines of current mainstream institutions and into increasingly self-reliant and empowered communities, will prove the best defence against external shocks. The policy challenge now is to support those fledgling initiatives seeking to build new systems of provision, and enable them to grow, thrive and propagate alternative development goals and values alongside the familiar market infrastructure. Adopting time banks throughout the health service, or developing partnerships to introduce NU cards in cities throughout the country, would start a process of diversifying the systems of provision of money used, in favour of sustainable consumption.

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The Positive Impact on Gomchen Tradition on Achieving and Maintaining Gross National Happiness

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Dhammapiti sukham seti vippasannena cetasa
Ariyappavedite dhamme sad ramati pandito.

Happily he lives who drinks of the dharma

--From the Dhammapada

Introduction

Everything that exists does so with a dependence on combining factors. Happiness or freedom from suffering and the causes of suffering is no exception to this rule, even though happiness is a non-material object or state of mind. In fact, happiness entirely depends upon the several positive causes and conditions that arise from both the grosser and the subtler levels of mind, and it cannot be transferred from one person to another.

Happiness must be cultivated through right effort and an understanding of the causes and conditions which lead to happiness. This cannot be accomplished in a vacuum and requires a dependence upon the kindness of fellow sentient beings for this attainment. Sometimes, as a part of this dependence, our happiness or positive state of mind is fostered by help from a spiritual friend, someone who has experience in the cultivation and maintenance of this mental state. Such a friend or guide can give good direction and advice on how to attain this goal of happiness, which, in broader terms, we call Gross National Happiness. The gomchen or lay priest community is a unique source for this type of consultation. It has been a traditional spiritual and cultural support for Mahayana-oriented Bhutan. As the country increasingly faces challenges, the gomchens will play an ever-greater role in promoting Gross National Happiness.

The Buddhist doctrine guarantees that anyone can successfully bring about transformation through right effort, right motivation, and an understanding of causes and conditions arising dependently. Freedom from suffering is assured if one follows the correct path and holds the

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correct view, but this is something that one needs to be taught. The knowledge leading to such transformation does not come spontaneously out of nowhere. Fortunately, the gomchen is qualified to impart this knowledge for purifying karmas to the lay people. If they can learn from him, then they will be able to eliminate the obstacle forming ignorance and turn negative circumstances into better ones for themselves and others. This benefits the overall well-being and happiness of the community and results in fewer negative circumstances to disturb the communal mind.

Because the gomchens are primarily dharma teachers with several lay practitioners in communities that are positively effected by their spiritual teachings and services, the gomchens are clearly in a special position to exert a beneficial influence on the peoples' interactions with, and attitudes towards, the four basic pillars of GNH: (1) economic self-reliance, (2) cultural promotion, (3) environmental preservation, and (4) good governance.

In this presentation regarding the gomchen's role in promoting GNH, some key background information concerning the gomchen tradition will be discussed, followed by a demonstration of gomchen's role in effecting the four pillars of GNH.

Gomchen Overview

In Bhutan, there are three primary types of dharma practitioners: monks, nuns, and gomchen. Monks and nuns stay in a monastic community, whereas the gomchen is free to stay either in a monastery or in a village. The gomchen is also permitted to marry and start a family and live within the lay community, where he can serve as a spiritual support for the society.

Gomchens Role

Gomchen means "great meditator". This is a title, which refers to the lay priests in Bhutan, but in other Himalayan regions the lay priests are referred to as Ngagpa which means "tantric practitioner". So the "great meditators" of Bhutan have played a major role for centuries in promoting and maintaining the spiritual well-being of their communities. The role of gomchen is similar to that of monks and nuns in the ways that they are helpful to others, but they have an extended role that goes beyond what a monk or nun can usually do within a lay community. The main difference between a gomchen and the monks and nuns has to do with ordination and the fact that gomchens can choose the family life for themselves while still acting as spiritual guides for others. A familiarity with family life on the part of the gomchen opens many possibilities for

the gomchen to serve one or another lay community in ways that are not common for monks and nuns.

While the gomchen observes the five precepts and is trained in all arts of ritual, Buddhist philosophy, meditation, astrology, and medicine, his role is mainly that of dharma teacher to the lay community.

It is the gomchen who provides teachings and instruction on dharma practice to the lay community and can open the minds of people to the attainment of greater happiness in their lives through the study and realization of certain Buddhist principles. Because gomchens are educated dharma teachers with right motivation to assist others, they are well respected and highly regarded in their communities. Many people come to them for advice in regard to a full range of issues. The gomchen advises and provides spiritual services on almost any aspect for life, including education, family relations, marriage, birth, death, business, healing, and even farming from planting to harvest.

When people are successful because of the gomchen's wise and meaningful advice which is rooted in dharma, this promotes faith in the Buddhist principles and culture and further enhances the societal structure in which the gomchen can serve a useful purpose. For example, someone could become ill or have a sick family member who needs the healing services of the gomchen. They request the service from the gomchen in particular because they feel a need for a spiritual type of healing. So if a gomchen does a special puja for them and the sick become well, then people develop even more faith in the Buddhist principle that all obstacles are temporary and are capable of being transformed through spiritual means. Thus, more conviction is developed concerning the Buddhist doctrine which contends that all suffering is due to dependently arising causes and conditions which are later experienced as karmic circumstances.

Consequently, when the gomchen shares his spiritual understanding and abilities with members of the community, and educates them in the dharmic approach to life's challenges, not only does their faith in the gomchen increase, but their faith in their own ability to change also increases.

After witnessing the example of the healing gomchen, some might ponder the following thought: "If a gomchen is following dharma and is motivated by pure bodhicitta to help others and he can effect a positive change, then why can't I also learn how to do this?"

Education and Training

The gomchen tradition was started in Bhutan during the 8th century when Guru Rinpoche introduced Vajrayana Buddhism into Bhutan. Guru

Rinpoche was himself a fully enlightened being, an unsurpassed teacher of dharma, and a gomchen as well. He was able to reach into the minds of countless scores of lay people and successfully turn their hearts and minds toward dharma practice. He had an assistant named Haminatha from central Bhutan, who was a student of the Guru and was the first official gomchen; Khandrom Monmo Trashi Kheudren was the first female gomchen. So the gomchen tradition actually begins at this point in history.

Under Guru Rinpoche's guidance, gomchen Haminatha accompanied him to Tibet. Being highly skilled and trained in all the arts, Haminatha helped construct Guru Rinpoche's treasure boxes, which were used to guard precious dharma texts and objects.

As a result, generations of gomchens have been trained in the same arts, such as painting, calligraphy, etc. In addition to the arts, the young gomchens have been trained in astrology, medicine, sacred dance, and drawing mandala. They develop competency in all ritual arts and spend years becoming competent at using ritual instruments such as the short and the long trumpet, the vajra and bell, drum and cymbal. Then they learn how to set an altar and make tormas.

There are two ways that a young gomchen can train for this path. One way is to study individually as a student of an older, established, reliable gomchen who can direct his mind to successfully train in all areas of the gomchen path. In this case, the youngster is like an apprentice and learns directly from the master, who can lead him through the training from start to finish. Many children of established gomchens train this way directly from their father and assist him in rituals as he goes to different villages to meet the people's requests. The fathers teach their children all the arts of ritual, the Buddhist texts, mind training and meditation.

If a parent is a non-gomchen, he can bring his child to a relative who is a gomchen to request the gomchen education and training, or he can request a non-relative senior gomchen to take his child as a novice gomchen for individual training.

The other way that a gomchen can receive training is by being enrolled in a monastery school. Many parents see this as a good choice for their son's education; the parents see the gomchen path as highly regarded, since it honours the dharma, and is a path which is able to provide a good living for the child in later adult years. It is an appealing choice for education since every aspect of the gomchen path provides ample opportunities for the accumulation of merit and helping other sentient beings. Many parents have a desire to see their child focus on

this spiritual type of education, which is a departure from the ordinary education that is more focused on worldly concerns.

The focus of the gomchen's education is mind training and training in bodhicitta, so their children will learn how to be non-violent, disciplined, compassionate, and contented. This type of education is designed to promote confidence and a positive, responsible attitude towards self and others in the society. This pleases the parents and makes them very happy to know that the correct causes and conditions are being sown for the happiness of their children. Parents want good things for their children, and the gomchen path leads to higher rebirths through the lifelong commitment to dharma practice and meritorious action in the form of communal service. This alone gives the parents much peace of mind, and they are happy to know that their child is on a noble and highly respected path.

The parents are also aware that if the child enrolls in initial monastic training for the gomchen path, he will certainly learn how to read and write, as this is a requirement for studying sutras and writing calligraphy and poetry. In fact, later, the gomchen will be reciting the Buddha's canon in the homes of villagers as a part of rituals. So there is a firm emphasis placed on reading in the gomchen's education. Each gomchen is required to read within one day, a volume of text that contains five to six hundred folios. Therefore, the parents feel confident that gomchen training will result in a high level of literacy for their child.

Since the gomchen path is the path of meditation and imparting the dharma to others, from an early age gomchens are educated and trained in the Buddhist principles. They study from the three following sutra texts: Shantideva's *Bodhicharyavatara,* Chandrakirti's *Madhyamika*, and Vasubhndu's *Abidharmakosh*. They gain a thorough knowledge of these texts and others as well, but their main training is in tantric practice and in training the mind.

Mind training is taught from the beginning, step by step. This is a particular focus of the gomchen education, since it promotes happiness as a result of dispelling ignorance and, therefore, eliminating the afflictive emotions and misguided desires which are negative causes and conditions that lead to more suffering within cyclic existence. So mind training is required for every individual to bring happiness for them and for others.

What is the purpose of mind training for the gomchen? Gomchens train for enlightenment because they are motivated to serve the benefit of all sentient beings. In this way, they cannot afford to have any afflictive emotions causing disturbance for themselves and others. They must have realization of peace and equanimity by disciplining the mind. After they

have learned to be thoroughly calm and content, and have had a certain spiritual realization, the gomchen will pass this technique on to others who also wish to learn the mind science of peace and happiness.

Gomchens know that this mind training is a means by which happiness can be attained, and they are glad and feel fortunate to be in a position to teach these same techniques to the lay community. The gomchen's motivation is to assist others to become enlightened and this includes all sentient beings, who should attain the true un-fabricated happiness that does not come from transitory material attachments. Those types of attachments to the material grosser levels of relative existence, even if seemingly very pleasurable for a moment, will ultimately lead to suffering due to their impermanent nature. So the gomchen wants to pass on the techniques of lasting contentment to others after he has practiced them and has come to know them so thoroughly. He can teach the same techniques to others who are interested to learn.

What makes the gomchen training special is that the gomchen is not training for his own personal happiness and acquisition of material objects. Many ordinary careers train in just this way, with an emphasis on competition. Unfortunately, one person "wins" while another has to "lose" because of the other's bid to 'get ahead' or 'go up' in the world. Most people feel that this is the way to effectively improve their life circumstances.

The gomchen's goal is the opposite of this: he always puts the countless other sentient beings first, before himself, and then he tends to their needs for peace of mind and ultimate spiritual well-being. If the beings are struggling to make a living, he advises them and does pujas for their increased good fortune and the removal of hindrances.

The gomchen trained in how to alter weather patterns will even go into retreat during the summer in order to pray for rain for the farmers, if the farmers think that this is needed for yielding better crops. Then the gomchen can also stop the rains if the farmers make this request. If the lay people want instruction in meditation, the gomchen is there to show them the way onto this path.

Thus, the gomchen can serve a multitude of external and internal needs of the people with a focus on the fulfilment of their wishes.

A part of the gomchen training is to do Ngondro practice. This is done in order to purify physical and mental obscuration. The gomchens go into retreat for one year so they can do the tantric practices that will help purify their own karmas so that they can be better benefactors to their communities. The gomchen knows that his responsibility to others' happiness depends upon his own enlightenment for the sake of all

sentient beings. By engaging in tantric practices and doing the retreats, he will further purify his awareness so that he can improve his service to others.

Tantric Practices

There are two tantric practices that gomchen train in. The first one is called *kerim*. This is the part of deity yoga that focuses on seeing oneself as the deity and transforming one's ordinary consciousness and sense of identity into that of the particular deity. This type of meditation helps the practitioner overcome the feelings of being simply 'ordinary' and aids in extracting more of his potential for enlightenment. The second practice is *dzogrim*. Here, the practitioner sees himself as the deity but practices no attachment to the deity form. Instead, he is realizing the emptiness within the deity form.

These two practices serve as a means by which the practitioner can attain an inseparable unity of method and wisdom. If the mind can realize the emptiness of the deity while maintaining the form, this serves as the eventual cause for the omniscient mind. If the gomchen can train in this way by doing retreats, then he will attain some spiritual realization that will make him a better dharma teacher for others to follow. He will want to teach the methods for enlightenment to others, so it is imperative for him to do intensive practices that can quickly result in the omniscient mind of buddhahood.

The gomchen's practice of doing retreats and performing rituals are for the happiness of all sentient beings. Here gomchen education differs vastly from the modern mainstream education. Senior gomchens always encourage and give advice to the younger gomchens about how to be devoted to happiness not only for the local people and town areas but also for all other sentient beings. The gomchen understands very well that he has a responsibility to be a good example in the mind of society. The countless sentient beings are an object of devotion for the gomchen, and he sees that through them there is a source for the accumulation of merit. Because of the kindness of these sentient beings, he is able to serve their need for happiness.

A high gomchen is sometimes a lama or a rinpoche to whom people can come for the instructions on the path of enlightenment. They know that he is always there to help them further their spiritual realization, and this causes a feeling of devotion on the part of the lay people. In this way, the gomchen can be a sort of refuge for the lay people, because they will regard the gomchen as a protector of their happiness and spiritual well-being. When people know that the gomchen is there to serve them with

the pure heart of bodhicitta, this automatically relaxes the communal mind and creates an atmosphere of peace.

Gomchen as Consultant

Gomchens have always been consultants and counsellors for the lay people. It is a well-established fact that in Bhutan, before the modern education system, the gomchen was usually the most educated person in a town or village and was needed for a variety of services. Gomchens had to be a sort of "jack-of-all-trades" and fulfil a variety of requests.

Today, just as in the past, students, farmers, business people, civil servants, and various others come to the gomchen for help and advice. They are searching for some understanding as to where their karmas are leading. They will ask for the invocation of luck if they are feeling unlucky. They will ask for relationship advice if a couple is having some obstacle. If they are in business, they will request some type of divination to see where their fortunes are heading. There are countless requests and reasons for seeking out a gomchen, so the gomchen becomes a consultant for persons from the full range of society.

When he gives a divination or imparts some wise and helpful advice, the people usually relax because they trust that the gomchen has some special insight due to his spiritual realization and constant maintenance of the meditation life path. This trust puts the lay people automatically at ease and promotes their happy state of mind.

Gomchens can do predictions for a person or use clairvoyance to see what career path, business activity, or relationship best suits them. In doing so, he can help them make better choices for themselves in life, thereby avoiding more suffering. The gomchen can also advise specific spiritual practices for individuals in order to help them avoid hindrances and eliminate more negative states of mind.

This advice from the gomchen increases the lay person's faith in maintaining dharmic practices and meritorious activities when they see for themselves that what the gomchen has advised has indeed helped them with given karmic circumstances. Then people return to the gomchen again and again for advice because he is helpful to them. This is evidenced by the fact that in Bhutan, people usually want to get counselling from a high gomchen before embarking upon any important life matter.

Gomchens are also in a unique position when it comes to giving advice to the lay people regarding family matters, since many gomchens are married with family. Parents who have difficulties or concerns about their children will find a sympathetic and able advisor in a gomchen who has his own children. He will have a clearer understanding of how the

parent feels, because he too is a parent and familiar with some of the karmic challenges of family life.

The lay people who need spiritual advice in the way of relationships will also find an able counsellor in the gomchen who is married and is familiar with the psychology of marriage relationships in particular. Because the gomchen is married, the persons needing advice in this area will feel more relaxed in seeking advice from him. They will feel more comfortable approaching him for advice because they know that he understands some of the karmic challenges in relationships.

The gomchen is often a mediator for other people and serves in this role without bias, since his intention to help comes from pure bodhicitta.

Female Gomchens

The gomchen's wife and family life can make the lay people feel at ease. The gomchen's wife is the female counterpart of the gomchen and therefore is also a type of gomchen too. The gomchen's wife plays an important role in supporting the gomchen and his spiritual work for the community. In doing so, she is developing spiritually through the ways that she helps maintain the spiritual focus of her family. The female gomchen raises her children according to Buddhist principles and encourages them to engage in spiritual practices and to gain a spiritual education. She also engages in dharma practices and performs pujas with her husband. The female gomchen will also do retreats and meditation in addition to looking after all the household matters such as cooking, cleaning, etc. Thus, she is a good example of how a person can run a household, raise children, help her partner and still do several dharma practices. She maintains a home that has a foundation in dharma.

All this is possible due to the female gomchen's devotion to service and maintaining the spiritual well-being of the family. She is an example of action bodhicitta in that she is always generous in granting the wishes of others and in maintaining her commitment to dharma practice and in supporting the gomchen lama as he tends to the various needs of the community.

The female gomchen receives training from her husband and becomes proficient in chanting, performing ritual, and meditation. She is frequently the motivating force in giving an early education to her children in how to read and write Buddhist texts. Therefore, she is an example of the positive state of mind which comes as a result of commitment to dharma and can inspire many of the lay persons to keep doing their own dharma practices. When they see how busy the female gomchen is, but how she still manages to do dharma practice, they feel that they too can make dharma practice a natural part of the structure of

their own lives. She gives them inspiration through her example and shows how a mother can play a key role in integrating dharma into the lives of her children from a very early age. In this way, she is responsible for promoting the earliest gomchen training for her children because she knows very well that they can live to serve others' happiness in life through a commitment to boundless bodhicitta and through living to impart dharma teachings and services to the whole community.

When the gomchen takes on novices for training, the female gomchen has added duties regarding the novices since the gomchen lama is now responsible for their food and shelter. The female gomchen engages in the work of supporting the novices as they get education from the senior gomchen. She is providing a positive structure for their learning and is doing so because she believes it will help maintain the well-being of the community to have highly trained gomchens. So as a part of service to the community, she serves the needs of the novice gomchens as well.

The Importance of Retreat

Retreat is a key part of mind training for dharma practitioners and integral to the life of gomchens. They usually do retreat for a short period of time in the summer while farmers are working in the fields. During the retreat they dedicate merit to the welfare of local people and for all sentient beings. Gomchens divide the day and night into six periods, during which they fully dedicate themselves to peace and the happiness of the people.

As a part of their daily routine, every morning the gomchens perform purification prayers to counter any defilement that might have occurred as a result of the people working in the fields. Gomchens try to negotiate with local spirits for cooperation by praying for the sake of the peoples' happiness. Therefore, in direct conscious ways as well as those of the more subtle consciousness, the material and psychological well-being of the community is being served by the gomchen's pure intention to help and by the very power of his prayers. The community members appreciate this effort and pure intention on the part of the gomchen to maintain good conditions for them as they farm, so they bring offerings to provide for basic needs during the gomchen's retreat. In doing this, a harmonious mutual symbiosis is attained. Because the gomchen is being helped by those he is helping, the gomchen makes even more intense efforts to bring about favourable conditions on behalf of others. Both the gomchen and the community he is serving become even more contented through their faith in the dharma.

For gomchens, their life purpose is to become enlightened for the sake of all other sentient beings. So the retreats serve a purpose in allowing the gomchen an opportunity to become more detached from the outer appearances of reality and to gain spiritual power and insight as a result of tantric meditation practices. The retreats motivate the gomchen to put more effort into the achievement of supreme happiness because of the resultant realization and spiritual developments that emerge during the retreat period.

There are many stages in a retreat. The first retreat is called Ngondro. This is a preliminary practice which starts from the point of going for refuge to the three jewels to engaging in guru yoga. It is a complete training for both physical and mental purification and is a year-long undertaking.

Then the next stage is a three-year retreat which focuses on the three roots: lama, yidam, and khandro. After completing this retreat, the gomchen will be authorized to lead major ceremonies. The three-year retreat is a highly desirable undertaking because it is an opportunity for one to gain profound experiences of spiritual insight and develop more spiritual power based upon wisdom, realizing emptiness and pure awareness. After this retreat even an ordinary gomchen will be able to give teachings to people and will be able to show others the correct path to enlightenment.

Retreat centers for gomchens are typically found in the high mountains and solitary places. These are locations that are difficult for most people to traverse easily. The location choice accords with a religious text which asserts that a retreat place should be located at least one mile from the village or town, preferably in an elevated place such as a mountain. Only then does the location meet the requirement for *gonpa,* which means 'solitary place'.

Retreat Etiquette

In keeping with the requirement of having the retreat in a solitary place, there are certain retreat etiquettes and disciplines to be observed by both retreatants and non-retreatants. For example, when people pass nearby a retreat area, they should be mindful of this and make efforts not to see the gomchen in retreat. Visitors are not allowed to pass beyond a certain place. However, if someone wants to leave offering items for the gomchen, he is advised to leave them at the entrance with a message that the offering items come from a certain person. Names of deceased can also be left so the merit can be dedicated for them.

Being able to make offerings to the gomchen retreatants who are seriously on the path to full enlightenment fulfils the need for the

accumulation of merit on the part of the lay people and promotes their happiness. For them, the offering is the aspiration to do far reaching positive actions. By having the gomchen there to accept such an offering, their wish has been actualized. Similarly, the gomchen retreatant feels fulfilled in being able to use this life in a very appropriate way, not wasting the rare opportunity of a precious human life. Both gomchens and lay people enjoy happiness by acknowledging themselves to be the luckiest amongst millions of human beings, because they recognize the preciousness in this life and do not want to waste the opportunities for spiritual realization and the dedication of accumulated merits.

During the retreat, gomchens are not allowed to cut their hair, nails, or shave moustache and beard, because the whole body is transformed into a certain deity. They are only allowed to meet three people during the entire retreat: their root lama, who is the guiding teacher during the retreat, a food carrier and a doctor.

Communication with these three people is done by writing on a slate or by talking at a particular time, depending on how the gomchen retreatant and the root lama have set the rules at the beginning of the retreat. Some retreat persons prefer not to speak for the entire three years.

What is the reason for this silence? It is because ordinary speech is being transformed into the divine speech of a specific deity. Also, the ordinary body and mind are transformed into the deity's body and mind. This is in accord with specific deity tantric practices that are being used to purify the gomchen's body, speech, and mind. Therefore, the retreatant's body is generally not allowed to be shown to other people unless those people are themselves blessed.

During retreat time, gomchens enjoy genuine happiness and bliss without attachment by practicing the dharma. Moreover, the gomchens fully dedicate their realization and prayers to the happiness of all other sentient beings in the three realms.

When the lay people witness the blissful transformation of the gomchen's mind due to doing retreats, the lay people are inspired to renounce the mind of attachment and have fewer destructive self-grasping worldly desires. They realize through the example of gomchen retreatants that true happiness and contentment cannot be attained through an attachment to wealth and the accumulation of material things. So they seek to have the same happiness that gomchens are experiencing by listening to the dharma teachings and instructions for practicing as directed by the gomchens.

Ceremony/Puja

Ceremony is one of the most important activities in the life of gomchens. That is why gomchens are trained from an early age in the practice and theory of a wide variety of ritual arts and performances. The four different types of pujas in which they are trained fall into the four categories of peace, increase, power, and subduing. The most popular request from the lay people is to perform pujas promoting their happiness and success. People strongly believe in invoking luck and becoming successful by means of performing pujas. An individual needs so many outer conditions and circumstances to be met in order to attain what is perceived to be happiness, so that in addition to material accumulation, people are still seeking spiritual help to attain more of whatever object they feel will bring them the most happiness and success. This is because people's desire has no limit, and they are always searching for the means to become satisfied.

Through pujas, people may feel that a positive cause and condition has been set into action through the gomchen's prayers, and this has the effect of making people feel more comfortable, more psychologically balanced. They feel more contented, because although they had a desire it was directed through a dharmic action and resulted in the accumulation of more merit. Some positive spiritual force was put into action through the ritual and prayers performed by the gomchen on their behalf.

There is such a demand for these pujas that sometimes trains of gomchens travel in the morning into huge towns and village communities because every available gomchen has been invited by a household. For the entire day, the gomchens are engaged in performing pujas in that particular household in order to bring peace and happiness by dispelling any obstacle and negative force.

Gomchens also try to help others through an effort to prolong this life by invoking the long life Buddha through performing puja. Similarly, if people become sick, gomchens are invited to perform the Medicine Buddha puja. If households lack economic resources, gomchens will perform the God of Wealth puja in those houses in order to invoke the blessing for increased material resources.

If there has been a loss of earth blessing which results in infertile soil that will not yield crops, the gomchens insert holy vases underneath the earth so that the soil will produce abundant of crops.

Gomchens can also control evil spirits that may be haunting and causing disturbances. To keep the evil spirits from harming others, the gomchen uses methods to subdue them and expel them from the location of disturbance and emancipate them into the sphere of dharmakaya.

Gomchens also perform a public service by conducting funerals for the lay population. They can aid in directing the consciousness of the deceased during the intermediate state to the pure land. In the vajrayana tradition, it is known that the consciousness of the deceased wanders in the intermediate state for 21 days and is like a feather being blown about by the force of karma. But in this intermediate state there is a special opportunity to realize pure primordial wisdom or clear light mind.

If the consciousness is able to realize this pure state even for a brief second, there is a chance that the consciousness of the deceased can go on to a higher rebirth. The gomchen is experienced with the subtle stages of consciousness during the intermediate state and can help direct the consciousness during its transit from one phase to another. During the time when a person is sick and about to die, rinpoches and gomchens usually try to direct the consciousness onto the correct route through prayers and the transference of consciousness. If the enlightened lama's spiritual power and strong intention conjoin with the faith of the deceased person's consciousness at the correct exact moment, then the consciousness of the deceased is able to realize the dharmakaya nature, the pure primordial wisdom which is beyond life and death. If this occurs, then the mind of the deceased becomes a Buddha who can manifest anytime and anywhere in accordance with the wishes of sentient beings. This consciousness has become a wish-fulfilling jewel for all others, and the gomchens and rinpoches who facilitate this outcome accumulate great merit which they use to continue benefiting others. The surviving relatives and friends of the deceased feel very relieved that the gomchen can offer this service to their loved ones for whom they have affection and attachment.

After the gomchen has finished with the prayers and ritual, the surviving relatives and friends naturally feel a loss and are saddened, but they also feel contented, knowing that they did their best to help the consciousness of the deceased gain a higher rebirth. This thought alone helps them maintain some small happiness even in the midst of their loss.

Gomchens also lead public ceremonies like festivals and weddings in the villages and towns. During the festivals, gomchens entertain the community by demonstrating many sacred dances. In some villages, the lay people pray for world peace, like the annual one billion times recitation of the six-syllable mantra "Om Mani Padme Hum" and the recitation of the Vajra Guru mantra. In some instances, villages sponsor the fasting prayer and rituals in spring in order to make confession because they may have taken the lives of insects and worms, and other sentient beings during the summer farming work. It relieves the mind of the farmers to know that they can make a confession and have prayers

done by a gomchen on their behalf in order to alleviate any possible ill karmic effects due to the negative action of taking life. By conducting the pujas and doing these types of prayers, the gomchen is able to help lessen the guilty burden on the mind. This helps to unstress the emotions of those who may have unintentionally harmed an animal while trying to make a living ploughing a field.

In addition to the summer retreats and prayers, the gomchen also does pujas in winter in Bhutan, when there is more leisure time for farmers and other laypersons. During this time, the gomchen devotes much time to the public's need for religious ceremonies, such as the *Tshog Bum* puja or the hundred thousand offerings of *tshog*, and the *Nyungney* or the fasting, as well as the *Zhingdrub* or actualization of pure land ceremony. People from all sections of the community come for these ceremonies conducted by gomchens. Many elderly people will come to recite the six syllable mantra, and during the session, they will observe the five precepts. The ceremonies can last for a week or more.

The community gathers at a local temple or builds a temporary shelter for the puja ceremony. The atmosphere is alive with socializing and a shared sense of purpose in invoking the puja. This pulls the community together in a united effort to do dharma practice that will benefit all sentient beings and invoke blessings for the entire community. This cohesion due to a shared desire to do dharma practice knits the community together even more tightly and creates an atmosphere of happiness in joining together to do meritorious actions, lead by the gomchen lama.

The head gomchen will give teachings during the winter on various Buddhist philosophical topics and practices, including such topics as the law of cause and effect and dependently arising conditions, the significance of puja, how to develop the inspirational bodhicitta mind for the benefit of all sentient beings, the transformation of consciousness through the tantric method of deity visualization, and the benefits of virtuous practice. At the end of the pujas and teachings, the merit is dedicated, and some lay persons' hearts are so moved that they themselves even become gomchens after realizing the benefits of a spiritual life.

The pujas and teachings are happy events where the minds of lay people can be turned towards the dharma and virtuous activities. Sometimes people feel so happy and privileged when they realize the preciousness of their human life and their access to the triple gem that they cry from joy when they receive teachings from the gomchen lama. The teachings and subsequent realization become a basis for the sober contentment of their minds. This has a further impact on their society,

because there is less crime and destruction where the minds of people are at peace. The quality of life automatically improves when the people feel content, and the presence of the gomchen lama working on behalf of the community provides the means for this to be maintained through his constant commitment to ceremonies and teachings.

The Dharma Teaching

Gomchens also give teachings after they come out of retreat. At the conclusion of the retreat, it is typical for the lay community to receive teachings from the gomchen. The lay people have an interest in these post-retreat teachings because several of them are also doing ngondro practice and guru yoga in addition to their daily work. Many lay people do not know how to read the religious texts, so they are appreciative if the gomchen can give them instructions regarding the visualization of deities. Lay people try to seek a gomchen lama as their spiritual guide, one who has completed the three year retreat.

After this retreat, the gomchen lama has merited some spiritual authority and can give public teachings. Even if the gomchen lama is not well versed in the Buddhist canon, he still retains spiritual authority due to his realization and spiritual powers. What is truly necessary for the gomchen to be an authentic spiritual guide is that he have the genuine pure bodhicitta in his heart. Then he can lead others through the path of liberation by communicating his actualized compassion and Buddha nature. This is the main reason that Bhutanese people develop and maintain respect for the gomchen: he has the correct motivation and spiritual means by which to lead them to the experience of peace and happiness in their own minds. If the lay people have faith in this, then they will be able to use the gomchen to help them develop a deep respect for the Mahayana tradition and its methods for developing the special insight of wisdom-realizing-emptiness. Step by step, the gomchen lamas can lead the students' minds toward the actual realization of the primordial state.

Gomchens teach the lay community that there is a method for becoming free from the negative conditions of cyclic existence, and this is appealing to the community when they have many hardships or challenges to face in their lives. It routes their minds in a positive direction to know that there is a means by which one can become free from samsara and that the gomchen has promised to help them accomplish this. This is the primary purpose of the gomchen-lama' s life: to help free others from suffering through external acts of compassion and kindness while simultaneously using the subtler methods of giving mind training directions and transmissions to his lay students.

For this type of instruction, gomchens are more easily available than the high lamas and rinpoches who live in monastic communities. To get a teaching from a rinpoche or lama in the monk community, one has to go to the monastery to make an appointment and submit a request for the teaching. The gomchen, on the other hand, lives within the lay community and is a constant presence, so it is easier to go directly to him. He will give oral teachings or transmissions directly to them. If the gomchen has regular students and sees them all the time, he is also familiar with where the student is with his/her practice and realization and can help them direct their minds through the methods that are most suitable for them. Because the gomchen is immediately available and an integral part of the lay community, he can efficiently dispense the spiritual teachings that people need and would otherwise find difficult or impossible to obtain. When the lay community knows that the gomchen lama is a spiritual constant in their community and that they can always go to him for teachings and transmissions, the people feel hopeful that they can make unlimited progress with their dharma practice and will not have a limited approach to how much spiritual progress they will be able to make in their lifetime. It boosts their enthusiasm for dharma practice and decreases their worry, to know that there will not be a limit for their spiritual studies and practices. They will feel happy knowing that there are lamas who can help them become enlightened, perhaps within this very lifetime.

The Practice of Generosity

Usually gomchens come out from their summer retreat at the beginning of October and start going for alms for a few weeks, if they stay in the villages. Normally gomchens travel around the village from house to house making prayers for the different households. Then the householders give a donation to the gomchen in appreciation of the beneficial prayers. The householder's donation is typically some portion of grain. Then the gomchen also makes a prayer in gratitude for the householder's kindness and generosity. Both the gomchens and monks engage in this type of right livelihood. They do not compete for or demand something; they accept whatever is freely given and are satisfied with it.

By going for alms, the gomchens allow the householder to let go of self-grasping attachment to material objects. This opportunity allows the householder to develop more bodhicitta and perfect the meritorious action of generosity. So the gomchen is able to make a right livelihood and the householders are able to accumulate more merit by supporting

the gomchen as he supports their wish for more happiness for their households.

In the Mahayana tradition, there is a special emphasis placed upon the *Six Paramitas*, or *Six Perfections*. The Perfection of Generosity is one of these. It is important that Buddhists practise the perfection of generosity, moral or ethical discipline, and concentration. In Pali, these are respectively referred to as *dhana*, *shila*, and *samadhi*. According to the Theravada doctrine, it is imperative for every Buddhist to practice this trinity if one is to become liberated from the samsaric world. But it must be noted that this type of liberation is self-liberation from the suffering of samsara. For enlightenment to occur, it is necessary for the practice of this trinity to be motivated by the desire to benefit the countless other sentient beings.

The generosity that is being taught by the gomchen clearly falls into the category of perfecting this quality for the sake of all other sentient beings because he is motivated to lead others to full enlightenment while simultaneously improving their immediate living conditions. By allowing the householders to give donations, he is helping them to secure a better karmic condition for themselves, which may manifest in this lifetime as more wealth or may occur in following lifetimes as more comfortable living circumstances. So the gomchen cares for the comfort of the lay populace, has an empathetic understanding of their living conditions, and knows how to help the lay people transform this concern into something positive. The gomchen is just there, at the doorstep of each household, aiding the lay community to literally open their own doors to a positive transformation of their living circumstances.

Service

What is the most generous act that one being can do for another? Perhaps it is showing them the way to attain a true state of contentment, free from all suffering. This is what Buddha Shakymuni taught and, therefore, is the focus of the gomchen's life purpose, since he is a dharma teacher. His main objective is to help lead the minds of people into a better state of awareness and, ultimately, to enlightenment. Performing this service is his life commitment to all sentient beings, and he knows that the dharma is the only correct means to accomplish this end. All other methods for trying to establish lasting happiness fail due to some basic misperception about reality. So he tries to educate the people of his community about the causes and conditions that lead to happiness and ultimately enlightenment because he is committed to their spiritual health.

The gomchen lama is familiar with the inner nature of the mind and how the mind works. This insight comes as a spiritual realization from

his meditation practice. He knows full well what some people may not be completely aware that self-grasping desires are difficult to eliminate but must be dispelled if peaceful happy states of mind are to prevail. The self-grasping desires are dependent upon ignorance, not only about the impermanence of self but also about the dependently arising causes and conditions. This ignorance must be uprooted through mind training and the development of ultimate bodhicitta if the goal of enlightenment is to be attained.

So the gomchen, by doing pujas and external acts which lead people's minds into a communal contentedness, is really offering people a chance to accumulate merit that will positively direct their own causes and conditions into a manifestation of happiness. By constantly offering chances for the accumulation of merit, the gomchen is helping to habituate the minds of his lay community towards benefiting others, not just persons in their own villages and towns but all other sentient beings; self-grasping is a root cause for suffering and repeated cyclic rebirths. As the minds of people get more and more habituated toward virtuous dharma activities and developing bodhicitta, they naturally feel better because the fetters of self-grasping loosen. The self-grasping cannot stand up to the strength of bodhicitta, because self-grasping is a temporary, ignorant contaminated state while ultimate bodhicitta is pure and boundless. Because they do dharma activities and feel better, the people want to engage in even more dharma practice, since their minds are being habituated towards the spiritual means to happiness.

If the people ask the gomchen for further teachings in mind training and he gives them transmissions, the self-grasping mind may fall away more quickly and they will experience fewer and fewer afflictive emotions over time. It is very good for the community if people feel motivated to do this spiritual work with the gomchen lama because it means that there will be less afflictions in their society. The atmosphere becomes less aggressive and competitive when many members of the community are practicing at least an inspirational bodhicitta. This improves the quality of life for everyone when the majority of persons in a community want to practice bodhicitta. But this is why the gomchen is living in the community in the first place. His purpose is to assist in the happiness of others by teaching them how to develop the bodhicitta which will help liberate the mind.

How many other societies in the world have someone whose sole occupation and ambition is to serve the complete happiness and wellbeing of others with the purest intention born of bodhi mind? Maybe there really aren't so many who want to do this type of work, but this is

the gomchen's job, and it is the most fortunate and auspicious endeavour!

Gomchens Influence on the Four Pillars of GNH

In Bhutan, the gomchen is an integral part of every community and serves as a spiritual constant since his dharma service extends to all areas of life within the given community. There are gomchens in every village and town throughout the country and thus their influence is far reaching. This influence of the gomchen as a spiritual guide promotes and helps to maintain the four basic pillars of GNH: economic self-reliance, environmental preservation, cultural promotion, and good governance.

Economic Self-Reliance

In the area of economic self-reliance, the gomchen, being a dharma teacher, is himself an example of right livelihood and can give training and advice in this direction. Right livelihood is directly related to economic self-reliance, because the causes and conditions stemming from one's choice of work can lead to either happy or miserable circumstances. For example, a prevalence of corrupt occupations will result in turmoil and disturbance for the environment and the society, and this will immediately undermine the spiritual well-being of the entire group because society is an interdependent entity. Its happiness as a whole rests upon the shoulders of all the individuals who form it.

According to the Dhammapada, right livelihood is in line with benefiting others and decreasing that which is harmful. This means that right livelihood is to be directed at improving conditions for others while simultaneously providing for the basic living requirements that support human physical existence. But happiness is related to more than just taking care of the needs of the human body. If this were not true, then happiness would be an empirical state and have little to do with the nature of the mind and the human ability to use effort to transform ignorant states into clearer perceptions of reality.

What can help bring about a positive state of mind in career or economic development? Desire must be examined. It is what drives us to want things, including happiness. It is the desire that must be correctly directed if a positive result is to emerge. If there is too much self-grasping at the root of anything, including economic self-reliance, then a state of suffering will follow from any dharmic action. For example, someone may want to make money because he needs it but is unwilling to put the welfare of others first. He is attached to the idea of making money and this is what is directing his choices at the moment. It is as if the desire for

money has taken over his concern for others and completely obscured his ability to see the preciousness of other sentient beings.

During the moment of obscuration, he might believe that selling drugs would be a fine way to accomplish his wish for more money. Perhaps it could provide him a lot of cash very fast. Maybe he is thinking along these lines, but if he choses to take this path, the consequences for himself and society will be very negative. Besides being illegal and potentially resulting in his imprisonment, someone may get sick or die as a result of the drug seller's selfish focus on only making money without regard for the well-being of other sentient beings.

If others are harmed in the process of making a living, it is because one is not practicing bodhicitta and putting the well-being of others first. Since right livelihood means much more than just making money and acquiring material possessions, happiness coming from right livelihood implies much more than just providing for the needs of the physical body alone. The truth is that everyone wants a comfortable life and happiness. This is a deep desire, but in order to obtain the opposite of a miserable life, one must engage in the virtuous acts that will positively formulate the correct causes and conditions leading to this happy state. Of course, all of this positive activity can be directed by the mind, and this is the truest form of self-reliance: one must train ones own mind to make virtuous choices regarding one's economic viability in order to obtain an occupation which is in line with the dharma. This type of occupation will at the very least have a positive state of mind as one of its many benefits.

The gomchen lama can advise others about right livelihood and how best use of their own talents and skills to attain this. He can, in fact, use his special insight to give guidance about what area of occupation would yield the best result for an individual. If a person has faith in this advice from the gomchen lama, then he/she can bring a spiritual view into their daily lives, and their attitude toward work will change. If the gomchen lama's students gain spiritual values and an appreciation for right livelihood, they can work in the world in such a way as to put their spiritual values into action in their given vocations. If there is an emphasis on bodhicitta in the workplace, because this is an integral part of the practice of right livelihood, then the workplace also becomes less competitive and aggressive. There are fewer afflictive emotions to disrupt the work in progress and this promotes a more efficient work place. For example, if something goes wrong, the employees may be less likely to fight amongst themselves or with their employers, because this is a self-grasping behaviour not in line with practicing bodhicitta, which is an inseparable part of right livelihood.

Since the spiritual life occurs here and now in reality and everyone has to make a living, it is reasonable that if more employees try to bring spiritual values to the work place, instead of a competitive "cut throat" attitude, and actually use their occupations as a means for their dharma practice, the result will be a more pleasant atmosphere for work. If someone is competent at his/her work and also has a pleasant cooperative attitude of bodhicitta, he/she is probably more likely to get more job opportunities or promotions because their employers realize that they are easier to get along with, less egotistical, and have better attitudes toward their work than most. The selection of the correct right livelihood and spiritual guidance by the gomchen lama can help lead to this result.

In addition, a senior gomchen can directly train others in right livelihood and economic self-reliance by training them to be gomchens. When senior gomchens are training the novices, they are helping them to obtain literacy skills as well as skills in the arts and in the area of medicine and healing. Later, a high level of skill and competence in any one of these areas alone would be a cause for employment and a means by which one could become economically self-reliant. But in reality, economic self-reliance starts very soon in the life of even a novice gomchen. Some of them can even support themselves after a year in training because they assist the senior gomchen when he goes to various houses to conduct pujas. The householders give a donation to the novice because he has helped conduct the puja. In this way, the young novice can begin providing for his own basic needs while being taught by the senior gomchen. This builds confidence and self-esteem on the part of the young novice, who is able to get training, do virtuous actions to benefit others' happiness and to be in a position to support his own economic needs. Therefore, from very early on gomchen novices are fortunate: they have the benefit of a direct simultaneous economic and spiritual development. This is a reason that some poor parents used to send their children to the gomchen community. They knew their children would be able to do well economically and train in a noble, respected dharmic path.

Thus, the gomchen is not only a living example of right livelihood he is also a shining example of economic self-reliance. This is a good role model because as markets get more competitive and consumerism covers the planet, Bhutan is more exposed to modern influences from outside. Sometimes these influences seem very good on the surface because they offer immediate access to a more luxurious lifestyle with increasing material goods, but if the intention to acquire these goods is linked with a self-grasping attitude and very little bodhicitta, any happiness from them

is temporary and will quickly wear off, leaving the person to want still more. Buddha Shakyamuni spoke at Jetvana grove and pointed this out when he said that, "Even a rain of gold could not satisfy your desires--for the smallest taste of enjoyment leads to the suffering of more desire. A truly wise person understands this." (Dhammapada).

By practicing right livelihood, the correct view is maintained through bodhicitta and leads to greater awareness about wanting happiness for all, not just for oneself. Promoting the happiness of others while maintaining economic self-reliance is the best way to approach one's work. This is why the gomchens are successful and bring happiness to countless others: they are motivated by the pure bodhicitta and wish to share this same key to success with others.

Environmental Preservation

A gomchen lama has a lifestyle with few needs beyond the basics because he is on this spiritual path of meditation and service to others' needs. Therefore, his demands from the environment are very few. In fact, as a part-time retreatant, he is very much in partnership with the earth and the elements. His spiritual occupation and objectives are in harmony with the natural flow of seasonal changes. For example, in summer the gomchen must do a retreat in order to intensify his spiritual powers to do pujas and prayers that help others while they are working in the fields. He prays for their negativities to be dissolved so that their work in the fields will be successful. Then if the farmers need rain and have a strong faith in the gomchen, the gomchen can help produce rain. The gomchen serves as a spiritual link between them and the environment. When soil in the fields are no longer fertile and seem to have run out of the power to produce crops, the gomchen does rituals and buries a blessing vase under the soil in order to restore the power to grow crops. All of this is being done with the motivation of pure bodhicitta, and so the gomchen is able to accomplish miracles in the environment. When ordinary people witness what the gomchen has been able to accomplish in this way, they have respect for him and also become aware of how sensitive the environment is.

The environment is alive and responds favourably to bodhicitta. This is why an enlightened gomchen lama can direct the weather and restore blessings to the soil. He understands the true state of phenomena and can use his pure bodhicitta to implement a change on the grosser levels of matter in order to benefit others. But this ability to manipulate the weather in the service of sentient beings requires a clear and thorough understanding of the workings of phenomena, spiritual powers coming from realization, and an extremely strong and pure bodhicitta.

Gomchen lamas extend bodhicitta to all other sentient beings because they are devoted to their full, and this is what the gomchen lamas teach their students because this is what the Buddha taught. The gomchen lama's devotion extends to all areas of the environment and the sentient beings who dwell there. Even the tiniest insect has the gomchen's full bodhicitta heart devoted to its liberation from samsara. This tiniest insect is to be cherished and held dear because even it has the Buddha- nature and a wish for happiness. There is awareness even in the mind of an ant. If one observes an ant, one will see that the ant struggles for food and will often try to carry a huge load on his back. He carries this to the home he has made for himself because he must also be protected from the elements. In his home are other ants, and they form a community of beings who all want to be fed and protected. While they are simply trying to survive, they desire to be free from hunger and harsh weather conditions; in short, they are trying to counter their suffering with actions that bring about a desired result. This proves that the ants have an awareness and are also striving for liberation from their karmic condition, even though they are confined to the animal realm and have no conscious realization of the reasons for their present. What is important is that they have Buddha nature that will be actualized at some point during their rebirths.

This is why gomchen lamas and other dharma practitioners have respect for life in the environment. Wherever there is life, there is Buddha nature, and the forests and rivers are full of this potential for enlightenment. The gomchen lama imparts this value of respect and care for the environment made up of a myriad of interdependent layers. If one layer of the ecosystem is disturbed, then other dependent layers will suffer. This is a fact that can be seen in the world today in other places where deforestation has taken place and toxic chemicals have been poured into the sky and water. Many sentient beings have died and suffered immensely due to the desire that have been allowed to obscure the precious bodhicitta. It is only through mindfulness, intelligence and kindness, that the environment will be preserved and maintained as clean and beautiful. Bhutan is a hopeful example of such a clean well-preserved place, a "pure land" to all who come to visit, especially to those who are coming from developed countries. They see Bhutan with amazement and are deeply impressed. It seems almost impossible to their minds that the earth could be so unpolluted here, but then again Bhutan is also the only Buddhist country in the world, and the centuries-old spiritual values of Mahayana Buddhism are deeply rooted within the culture and minds of the Bhutanese people.

Another way that the gomchen lamas help promote the preservation of the environment is by doing their retreats in solitary places. For the retreats to occur, the environment must be very pure and undisturbed. Because Bhutan has a strong gomchen tradition, there is a constant influx of gomchen for longer or shorter meditation retreats. This means that the areas where gomchens do their retreats should be regarded as holy places and maintained with this in view. This assures that the gomchen retreat practice will always preserve the land around the retreat location because it must be kept pure and free from the disturbance of modern progress.

If too much land is compromised in the way of modern development, this will also compromise the lifestyle of gomchens, tantric retreats require a specified environment that is far from any urbanized place with an abundance of worldly activities and concerns. If gomchens are not able to do successful retreats, then they will not be able to have the types of spiritual realization that will benefit the happiness of the others who depend upon their services for pujas, prayers and advice. The preservation of the gomchen tradition and the preservation of the environment in Bhutan are, then, inextricably linked due to the constant need for retreats.

Cultural Promotion

Bhutan has an indisputably unique culture: this is the one and only Buddhist country in the world. High regard for the Buddhist spiritual tradition has been a hallmark of Bhutan, and the country's cultural identity rests upon this as its foundation. The gomchens play an enormous role in enriching the country's cultural promotion due to their training in all the arts, ranging from calligraphy, poetry, astrology, and thangka painting to the ritual arts of puja ceremony, torma-making, and sacred dance, to name only a few.

What distinguishes gomchens the most, however, is the constant conduct of pujas. A type of puja that gomchen lamas do quite often is called *Ka-go*. This is a specialized type of puja for driving evil spirits away from the places where they are causing a disturbance. The reason that gomchens are busy with this is because they have the correct tantric background for providing this service, and most of the regular monks do not. High lamas have the ability but are not always so accessible if they are in monasteries, while almost every gomchen knows how to do *Ka-go* and are easier to access.

To perform this subduing type of puja, the gomchen lama will do prayers and communicate with the spirit. The gomchen tells the evil spirit to quit harming the persons in that environment, to be

compassionate and use bodhicitta and that the spirit could have a better rebirth if he stops doing evil; he may even become enlightened in his next lifetime. This is a reasonable way to speak with the spirit because it is also a sentient being endowed with Buddha nature but still suffering within samsara. Even this evil spirit craves happiness, just like any other sentient being, and is probably acting in very destructive ways due to the intensity of its suffering.

If the spirit does not respond to reasoning because it is suffering from too many obscurations, the gomchen lama will resort to a tantric practice to expel it. This method uses *chag-jah*, *ngag-dah*, and *lha-gom* which are hand mudras, mantras, and deity meditation, respectively. The third element of the method, *lha-gom*, is very powerful and highly effective because it is the transformation of the gomchen lama into a wrathful deity form. This wrathful form maybe Yamantaka, Vajrapani, or whichever specific yidam the gomchen wants to use for this purpose. The wrathful deity is used in this case because the evil spirit needs a form it can perceive. When the gomchen transforms himself into the yidam, this is seen by the spirit. For example, if Yamantaka appears, the evil spirit sees the wrathful deity with all his weapons of compassion. At this point, the evil spirit is sent into the dharmakaya by the gomchen lama. This is how the gomchen lama can handle two cases at once: he can relieve the suffering of those who have been disturbed by the evil spirit and also relieve the suffering of the evil spirit as well. This is a satisfying outcome, because the gomchen lama respected both parties equally and treated them both with bodhicitta.

In addition to providing puja services, the gomchen lama promotes culture by being a dharma teacher and giving mind training and empowerments to several lay people. By doing this, he is helping to keep the Buddhist spiritual values flourishing in Bhutan. This is essential to Bhutanese identity because Buddhist spiritual values are woven into every aspect of life. The gomchen lama is a cultural symbol of these values because he is on the path of enlightenment and this is what motivates him to continue with his immeasurable service to all sentient beings. Wherever there is a gomchen lama, bodhicitta abounds, and the potential for enlightenment can be actualized if the student is ready for the transformation of mind.

Good Governance

For Bhutan, good governance is possible due to the fact that Bhutan is a country whose cultural foundation rests upon a solid base of Mahayana Buddhism. The basis of the Mahayana vehicle is ethical conduct fuelled by bodhicitta, and the moral virtues are attended to by a mindfulness

stemming from a motivation to help all other sentient beings. This same quality of mindfulness is integral to good governance as seen in the qualities of honesty, accountability, efficiency, and reliability. These four qualities are in line with the teachings of the Buddha, who gave a code of moral discipline for all those seeking at least liberation from suffering. In the Mahayana vehicle, it is imperative that moral discipline be accompanied by the practice of bodhicitta, because liberation from suffering is not just for oneself but for all the other sentient beings. In this way, bodhicitta keeps the moral discipline glued in place because the desire for virtuous conduct and a positive outcome for all, come straight from the indestructible heart's drop. Good governance should come from the heart because this is where the wisdom mind rests.

Honesty is necessary for good governance and should be at the base. It is the direct opposite of lying, cheating, and stealing. If these negative actions are occurring, then society is harmed along with the perpetrator of such misconduct. It is a situation where everyone loses ultimately. Society loses something material in various forms, such as embezzlement, misuse of funds, fraudulent contracts, deliberate misinformation, or withholding information. But society is also damaged in an immaterial way due to loss of trust and peace of mind. This results in scepticism or the state of mind where there is always doubt. This is most damaging. While the material loss may be restored, stolen money returned, or lies confessed and apologies made, it is much harder, almost impossible, for doubt to be erased from people's minds. Their peace of mind has been destroyed, and this is the opposite of promoting happiness.

The perpetrator, of course, suffers several negative consequences. If he is caught, he could be punished by the law, even imprisoned and fined. If not indicted by the law, at the least his name and face become a public disgrace and an object of embarrassment to those whom he represents. The name of his region and the title of his government position will then be associated with misconduct. In short, there will be a stain on his name, his region, and his post.

The stain also extends further. Each action forms an imprint - a type of karmic identifier in the mental continuum. This will yield a negative result if the imprint stems from a non-virtuous action, and the doer of the misdeed will experience suffering as a result. So whether or not the perpetrator of the non-virtuous action ever gets "caught" and his misdeeds become publicly known, he will still suffer from the negative impact of his own misdeed. The karma may ripen in the next life in the form of far less favourable circumstances than the ones in which he found himself when he chose to perpetrate the negative acts. So he can go "out of the frying pan and into the fire" quickly, without consciously

realizing what has just happened. In this way, his self-grasping desire towards whatever the attractive temporary gain was, not only failed to serve others but failed to serve himself as well. This is why it is so important to practice bodhicitta as a support for ethical conduct. It is the precious bodhicitta which puts other sentient beings' happiness before ones own misguided self-grasping desires. Bodhicitta is a means by which the selfish desires can be restrained, reduced, and even dissolved. Only by habituating one's mind to feeling very close to others and recognizing their innate Buddha nature can mindfulness be maintained regarding the best service toward others' happiness.

The quality of being accountable is also a key to good governance, which is actually a part of accountability. Honesty is inseparable from accountability because in order to be responsible, one must be able to clearly distinguish between "right" and "wrong", to think rationally, and be willing to be answerable. Being answerable means that decisions are being made which will have a result, and that there are factors involved which must be carefully examined so as not to have some undesirable, or negative, outcome. Maintaining mindfulness and constant bodhicitta is important for policy-makers because they are the ones who are making decisions on behalf of others, and their choices have an impact on the tangible and intangible well-being of the public.

Efficiency is another desirable quality, also linked to accountability. When decisions are being made, and the factors are being examined, there should be a careful consideration of what resources are being consumed during this process. The desire, of course, is for a maximum result with a minimum waste. Time and money are two resources that will be subject to this scrutiny. If too much time or money is being wasted, then this is a misuse of those resources, and it is similar to stealing because the loss cannot be recouped. If one were to approach efficiency with mindfulness, however, one would be careful about resources not being abused or stolen because it means that somewhere, someone is being negatively affected. If the funding for policy projects comes from taxing the public sector, then the public will suffer due to delay in the policies that are supposed to benefit them. Also, if a policy plan is not properly structured and correctly executed, then this is not equitable. The public deserves to get a fair return for its efforts to comply with government rules. If this does not happen, then there is some gain at the expense of others whose happiness is supposed to be served by the policies. But a mindful, efficient policy-maker would not want this type of loss to occur because it indicates a lack of concern for others within the very system that is established to promote a good standard of living for others. A policy-maker motivated by bodhicitta would want to use great

care with public resources and be a guardian for the well-being of the people.

If the people know that their policy-makers have a concern for the use of their resources and are motivated to serve them unselfishly, then this is what allows the public to have faith in those who would govern them. So reliability, or trustworthiness, is a quality of good governance that embodies the other three good qualities and further connotes that there is steadfastness and integrity involved. If people feel that their government has a stable system which efficiently executes beneficial policies, and that the policy-makers structuring these policies are honest, wise and accountable, and have their best interests at heart, then the populace will feel very content and proud of their government.

Bhutan is a country that already has good governance in many ways, and there is a true concern for the tangible and intangible happiness of the people. So far, it is the only country in the world that has developed a government programme, Gross National Happiness (GNH) that considers human happiness to be a relevant factor in governance. But this is not so surprising given the fact that Bhutan is strong in Mahayana Buddhism, and that this vehicle of Buddhism expounds an ethical concern for all other sentient beings.

The gomchen lama's role in promoting good governance is very basic: he gives the dharma teachings that lay down the spiritual values for a predominantly Mahayana Buddhist culture. By giving teachings on bodhicitta to the lay persons in his community, he is helping to foster an aspiration to perform virtuous acts and accumulate merit, which can then be dedicated to the well-being of all other sentient beings. The gomchen lama promotes kindness and compassion for others every time he gives a teaching and transmission. If his students have faith and are devoted to doing their dharma practices, they will develop an increase in wisdom and have special insights into the true nature of reality. The more spiritual the realization that the students achieve, the more they are able to understand that there is no possibility of enlightenment without the boundless quality of precious bodhicitta. So bodhicitta becomes a spiritual value integrated into the cultural mind of a community wherever a gomchen lama is living and serving others' needs for happiness.

Since many gomchen lamas live with lay communities across Bhutan, there is likelihood that some of the gomchen's students will become leaders and policy-makers. If this happens, they will carry their dharma practice into politics. They may regard their political positions as wonderful opportunities to benefit others' well-being on a large scale and regard themselves as instruments for others' happiness.

The political life, if properly motivated by bodhicitta for others, can almost manifest miracles. This is due to the pure boundless quality of an awakened heart. Money and power, however, are limited and subject to impermanence. They cannot be relied upon to solve all the problems of a society, and they do little to provide the causes and conditions for any true lasting happiness. If money and power alone could do this and solve the many problems of a society, then the more developed countries would have very few problems. But the opposite appears to be the case. In fact, nowadays, some of the western countries want to study Bhutan's programme of GNH in order to understand why there is a lack of satisfaction in their own societies. They want to find out what is "missing" and why a less developed country such as Bhutan enjoys a greater happiness than more economically advanced countries do.

Maybe what is missing is the awakened heart. Under the dynamic leadership of King Jigme Singye Wangchuck, the GNH programme grew out of a concern for the physical, mental, and spiritual well-being of the Bhutanese people. The programme is an example of mindfulness in action and embodies the Buddhist principle of bodhicitta. Where there is a lama, there is a teaching on bodhicitta. Fortunately for Bhutan, there are still several lamas across the country and their teachings can be felt in the fabric of the culture.

Conclusion

Because the numbers of gomchen lamas are strong in the lay communities of the present day, the influence of their dharma teachings and spiritual services are still tightly woven into the texture of Bhutan's Buddhist culture. The gomchen lamas still impart the teachings of the Buddha today exactly as they have done for centuries. Their awakened hearts have been reliable and have withstood the test of time. Some may wonder just how a gomchen lama can fit into a modern sophisticated world with all its progress. Some may look at him and think that the gomchen lama is like an antique, something to be associated with Bhutan's cultural past more than with its future. But this is not the case.

Nowadays, samsara may look different because it involves more technological advances, more modern progress, and more sophisticated advertisements that pull on the desires of human beings, but this is still just the same old samsara, and the gomchen lama still has the same job. He will continue on the path of enlightenment for the sake of all sentient beings and try to turn them all toward freedom from suffering. This is his purpose in life and what he has vowed to do with his true awakened heart. Such a pure devotion to the happiness of all other sentient beings must have an influence on the GNH of Bhutan because the programme

and the gomchen lama meet on a common ground of bodhicitta, the source of both relative and ultimate happiness.

> May bodhicitta, precious and sublime,
> Arise where it has not yet come to be;
> And where it has arisen may it never fail
> But grow and flourish more and more.
>
> --- Nagarjuna

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Happiness and Indigenous Wisdom in the History of the Americas

Frank Bracho[*]

Introduction

The attainment of happiness has always been a fundamental human aspiration since time immemorial. This is why all traditions of wisdom have made reference in one way or another to how it can be obtained, frequently conceiving happiness as the *sumum,* or pinnacle, of human achievement. Happiness as a goal has even been enshrined as a fundamental value for nations or governments.. The United States' Declaration of Independence, for example, specifies "the pursuit of happiness" as one of the new nation's fundamental aspirations, and the fathers of this manifesto, such as Thomas Jefferson and Benjamin Franklin, in their body of political ideas, made happiness a central good. Simon Bolivar, leader of the independence of several South American republics, did the same when he affirmed: *"The most perfect system of government is that which produces the greatest possible amount of happiness…"* (Bolivar, 1819*).* In those eighteenth century times, happiness was usually linked to feelings of safety and personal and social stability. In spite of all the foregoing, such an ideal as happiness might seem too general or utopian to some skeptic-pragmatists of today, and some might even say, sarcastically, that if in those days the Gross National Product --– the measurement that today's economists have enshrined as the supreme value of any national well-being-- had existed, the founding fathers would have preferred it.

But the goal of happiness keeps returning to the agenda of leaders and nations, as a vital, unsatisfied aspiration; nations as diverse as Bhutan, whose government recently declared, on the basis of ancient Buddhist teachings, that "the National Happiness Product is more important than the Gross National Product", and England, where the government has decided to highlight the pursuit of well-being and social happiness in its public policies. At the international level, the desire for happiness is central: at the United Nations' Millennium Summit, held in 2000 in New York, Secretary General Kofi Annan presented a Gallup International poll, the biggest public opinion poll ever taken, covering about 60 nations, to the Heads of State. The poll concluded, "People

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value good health and a happy family as being more important than anything else." (Report of the Secretary General, 2000)

On the subject of the pursuit of happiness, one of the more illuminating and renowned wisdom traditions has been that of the indigenous peoples. And among these was the wisdom of the indigenous peoples of the Americas, which greatly influenced the thinking of prominent revolutionary leaders in the eighteenth and nineteenth centuries in Europe and the Americas in their struggle against monarchic-feudal authoritarianism and in favor of more human, freer societies including leaders such as Franklin, Jefferson and Bolivar.

Jefferson's admiration for indigenous wisdom in terms of happiness led him to exclaim: "I am convinced that those societies as the Indians which live without government enjoy in their general mass an infinitely greater degree of happiness than those who live under European governments". Jefferson had seen, likewise, that: "Native Americans are not submitted to any laws, any coercive power and shadow of government. The only controls are their manners, and the moral sense of right and wrong. . An offence against these is punished by contempt, by exclusion from society...Imperfect as this species of coercion may seem, crimes are very rare among them" (Johansen, 1982).

Bolivar, for his part, left us the following comments: "The Indian is of such a peaceable character that he only wishes for repose and solitude; he does not expect to lead his tribe, much less dominate others… this species of men is the one that least claims preponderance; although their numbers exceed the sum of the other inhabitants… he is a sort of barrier to contain the other parties, he does not pretend authority, because he has no ambition for it, nor believes he has capability for exercising it, being contented with his peace, his land, and his family. The Indian is everyone's friend." (Bolivar, 1815). In his first chronicles, even Christopher Columbus had written the following in relation to his encounter with the indigenous culture of the "new continent": "They are the best people in the world, and the sanest. They love their neighbors as themselves. They are faithful and do not covet what others have… their speech is always sweet and gentle, accompanied by a smile." (Windwalker, 2002)

But before we go on with such great exaltation of the indigenous, which sadly proved to be short-lived in the Americas after the subsequent genocide of the aborigines, let us stop here and try to determine precisely what happiness means. And, starting from this determination, let us make more objective judgments about how and to what extent the ancestral indigenous wisdom achieved it.

Information coming to Europe of the happy goodness of indigenous self-government on the basis of the Natural Order truly influenced a series of revolutionary thinkers throughout several centuries, from Thomas More to John Locke, Rousseau and Marx. Their ideas, in turn, would return to the American continent to influence it in an interesting reverse flow. Despite their different ideological meanings (More's illustrated anarchy, Locke's and Rousseau's emphasis on natural rights, Marx's communist society, etc) and even the diverse forms in which said theories were put into practice, all those thinkers shared the reality of having been nurtured by the indigenous as an idealistic path to happiness and social harmony -- as was Jefferson's and Bolivar's on the American continent itself, through direct observation of the indigenous people.

What happiness consists of?

Happiness can be understood as a state of satisfaction or contentment and well-being, based on our natural identity.

Insofar as our natural identity is concerned, it is generally accepted that we human beings are matter and spirit, body and soul, depending on what we want to call our two characteristic identity components: the dense and the subtle.

Well-being's dimension in the concept of happiness refers to the more physical, dense and external aspects of our being. While satisfaction/contentment's dimension would refer to the more spiritual, more subtle and inner aspects of our identity.

We could also link the well-being dimension with health, as defined in the wide-ranging sense given by the World Health Organization (WHO), for which health is: *"A state of complete physical, mental and social well-being, and not merely the absence of disease or infirmity"*. This broad concept highlights the importance of affirmative and preventive health aspects (beyond the repair-cure syndrome in which modern medicine has remained); it emphasizes health as a lifestyle in which are included, besides attention to health as such, attention to nutrition, housing, clothing, education, environmental quality, and the affection and protection afforded by community-based life.

However, it is evident that health cuts across, and has a continuity relationship with, the other subtler dimension. Both, the term used by WHO, "infirmity" (disease), coming from the Latin "*infirmus,*" which means lacking firmness or equilibrium, as well the mental scope of health as cited in the WHO definition, remind us of health's more subtle aspects. It has also been said that matter, in the final analysis, is but concentrated energy.

In reference to the satisfaction/contentment dimension, a prerequisite for happiness is wisdom, since it will give us the correct leads for differentiating that which makes us happy from that which does not. Being able to relate to our self and to other beings from a perspective of love, compassion, and respect for all life, as well as feeling useful, are other fundamental requirements for a happy life. The eminent Chilean biologist Humberto Maturana has noted: "Our biological essence is based on love and cooperation", adding, in a note that returns us to the linkages with the well-being/health dimension, "we tend to become ill for a lack of love, but never for a lack of violence or aggressiveness."

In spite of those links between the two dimensions, those of well-being/health and satisfaction/contentment, it is evident that this last, linked to the more spiritual aspects, is the most crucial. As the Christian theologist Pierre Teilhard de Chardin highlighted: "We are not human beings on a spiritual quest, we are spiritual beings in a human experience".

Recapitulating, the following basic needs emerge from the above-stated definition of happiness: with relation to the well-being/health dimension: health as such, nutrition, housing, clothing, physical exercise, environmental quality, education, and community-based affection and protection; with relation to the satisfaction/contentment dimension: wisdom, love, compassion, respect for all life, and feeling useful. Bearing in mind that, if we are to be faithful to the higher hierarchical standing of the spiritual, the latter set of requirements should really come first.

Indigenous wisdom and happiness and comparison with modern societies

How can we qualify ancestral indigenous wisdom in relation to these benchmarks for happiness? And on the other hand, what can we say of modern civilization's performance in this regard? Let us proceed now to some considerations of these questions.

With regard to the first, the indigenous should not be idealized or romanticized, nor should we deny that it has also been subjected to its own degenerative process in a cycle that seems to have been inescapable for all humanity. The forefathers and thinkers of the eighteenth century indulged, in point of truth, in a certain idealization of indigenous wisdom, the idealization of he who tends to see in another that which he is deeply lacking, or simply the idealization of the simplifier or the one of limited knowledge. Not all indigenous cultures encountered by the Europeans when they arrived in the Americas were at their highest stage of wisdom; some, such as the Aztecs, Mayas and Incas were in decline

from their "golden years". Nevertheless, it is true that with reference to what was originally and ancestrally indigenous, the expressions of admiration of Europeans and Americans of European descent, were not far from the truth.

When we speak of the originally or ancestrally indigenous, it should be clear that, for us, the indigenous, more than skin colour or race, is a state of consciousness that embodies an intimate and respectful communion with Mother Nature and its laws.

Although it may be that the term "happiness" did not always appear explicitly in indigenous languages, their lifestyles and attending values did express the concept.

In the language of the *Waraos*, the ancestral aborigines of the Orinoco Delta in Venezuela, the word did exist as such, in the expression: *"oriwaka". Oriwaka,* for the Waraos, has the following meanings: "wait together", "have a party", "joy of sharing with others", "paradise where the dead are happy", meanings that highlight the importance of sharing, of joy, and of the transcendent as the key to happiness. In the *Piaroa* language (a Venezuelan Amazonian ethnic group) "happiness" is called *"eseusa"* and means, principally "the joy of sharing with others", a value quite similar to the Warao concept. To the ancient *achaguas arawak*, who also inhabited Venezuela, the word *"chunikai"* meant both "happiness" and health" (which takes us back to the equation we earlier highlighted). To the *Baris*, in western Venezuela, when their Creator *Sabaseba* gave life to them it was with the following mandate: *"You will be called Bari and will always be happy and smiling"* and that's why their oral tradition says that *"the Baris are thus not allowed to get angry, because so we were made by Sabaseba, as our elders have said. Because so all Bari have been from the beginning and so we shall continue to be".*

Insofar as the Mayas are concerned, it is interesting to note the importance given to happiness in the behavior prescribed by their moral code, known as The Pixab: *"A thing is good as long as it harms no one. A thing is right as long as it contributes to happiness and life"* (Oxlajuj Ajpup, 2001) (emphasis added).

In the Maya language *Q'eqchi*, happiness is called *sahil ch'oolejil* and means literally "having a glad heart". Confirming the great centrality that the value of happiness had in daily Q'eqchi Maya life, the main social greeting is *masa' laa ch'ool*, which means: "How is your heart?"

The contrast with the European lifestyle served to raise consciousness among indigenous peoples of the merits of their ancestral lifestyle, relative to happiness. In this regard, the following reflection, from around 1676 by Chief Micmac in North America, is eloquent: *"Which of these is the wisest and happiest - he who labors without ceasing and*

only obtains, with great trouble, enough to live on, or he who rests in comfort and finds all he needs in the pleasure of hunting and fishing?...There is no Indian who does not consider himself infinitely more happy and powerful than the French" (Nerburn and Mengelkoch, 1991). Or consider the following comparison by Chief Maquinna, of the *Nootka* nation, also in North America, after having learned the banking practices brought by white civilization: *"We Indians have no such bank; but when we have plenty of money and blankets, we give them away to other chiefs and people, and by and by they return them, with interest, and our hearts feel good. Our way of giving is our bank"* (Idem).

Compare the above with the greed and individualism that, despite the best wishes of such founding fathers as Franklin, Jefferson and Bolivar, persisted in the bosom of the colonizing European cultures. Such inclinations would lead, in the end, to the dismal practices of subduing and slavery to which the colonists would subject indigenous peoples, and the subsequent traffic of African blacks, as well as the growing mercantilist and corporate materialism which would later take hold, in the Americas. In this last regard, as far as the United States is concerned, analysts such as the historian Richard Beard have highlighted the narrow economic interests that truncated much of the high idealism of that nation's Declaration of Independence. written in 1776, when it was translated eleven years later, in 1787, into the nation's Constitution, which explains, among other things, why black slavery was not abolished in the latter (so that blacks were excluded from the Rights proclaimed by the Declaration of Independence as universal to the human condition). In the end this omission cost the new nation dearly, since it had slavery had to be resolved some eighty years later by a dreadful Civil War. On the other hand, starting from that war, corporations and money would take center-stage in the nation, causing President Lincoln to voice the following concerns, prophetic in their portrayal of subsequent developments in the United States: *"I see in the near future a crisis approaching that un-nerves me and causes me to tremble for the safety of my country. As a result of the War, corporations have been enthroned....An era of corruption in high places will follow and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people"* (Waserman, 1984).

Those narrow economic ambitions, of course, also played their part "South of the Rio Grande" and also truncated the dreams of solidarity and social happiness cherished by the founding fathers of the new republics in that part of the continent. The new landowner and

commercial elites sought unscrupulous political and economic advantages for their own ends.

We can find the root of all the inexorable forces of economic greed in the Industrial Revolution. This greed, which, spread from England to the rest of the world contemporaneously with the great political and independence-seeking revolutions of the eighteenth century and the beginning of the nineteenth, predominated over much of what the latter pretended to do, including their ideals of social happiness. The great historian Arnold Toynbee has left the following judgment on the subject: *"There were paradoxical and unhappy human consequences of an increase in the production of material wealth. The cause of this social miscarriage was the motive of the entrepreneurs by whom the Industrial Revolution was launched. Their stimulus was greed, and greed was now released from the traditional restraints of law, custom, and conscience."* (Toynbee, 1978)

Since then, greed has become so ubiquitous that it is today a central subject of debate, particularly in light of events such as the great wave of corporate scandals which have shaken the world of late in generalized form, symbolized by cases such as Enron in the United States and Parmalat in Europe.

Well-being / health dimension

This statement by the North American indigenous leader *Tenskawata*, of the *Shawnee,* in 1805, has broad implications because it refers to the root and basic aspects of the happy indigenous lifestyle and its comparison to European culture: "*Our Creator put us on this wide, rich land, and told us we were free to go where the game was, where the soil was good for planting. That was our state of true happiness... Thus were we created. Thus we lived for a long time, proud and happy. We had never eaten pig meat, nor tasted the poison called whiskey, nor worn wool from sheep, nor struck fire or dug earth with steel, nor cooked in iron, nor hunted and fought with loud guns, nor ever had diseases which soured our blood or rotted our organs. We were pure, so we were strong and happy."* (Windwalker, 2002). Tenskwatawa's acute reflections are particularly relevant to illustrating indigenous concepts concerning the physical well-being and health dimension with respect to the happiness concept, as well as its comparison with the invading civilization that attempted to impose itself on the indigenous peoples.

Smithsonian Institute studies by historians such as Francisco Herrera Luque and Manuel Cartay, the chronicles of the naturalist scientist Humboldt, and even those of many of the conquistadors, bear witness to the biological and health superiority of the indigenous population in comparison with the Europeans. Let us quote briefly one of these latter, as an example -- the words of the conquistador Pedro

Alv‡rez Cabral, who, observing the aboriginal world of what is today Brazil, expressed with admiration in 1500: *"They do not plow nor raise [animals] There are no oxen or cows, not goats, nor sheep not chickens. Nor any animal used to living with men, nor do they eat except of that i–ame* (mandioc), *of which there is much here, and of those seeds and fruits of the land, and the trees which grow by themselves, and with this they walk as hardy and plump as we are ourselves not as much."* (Cartay, 1993).

Even the natives' curative practices for treating illnesses were generally superior. Smithsonian Institute researchers have pointed out the following, for the case of Mesoamerica: *"The conquistadors sunken in a general lack of confidence in their own medical skills, frequently sought out the Aztec practitioners for health complaints, in preference to their fellow countrymen."* (Verano & Ubulaker, 1993).

Well-being as health, in the broader sense of the WHO's definition, was in truth a lifestyle for the traditional native, where in respect and integration with the Five Elements of the Natural Order, that is to say, "earth", "water", "fire", "air" and "ether", the indigenous native obtained all he needed for his subsistence, including, besides health as such, the concomitant requirements of good nourishment, housing, clothing, education, physical exercise, environmental quality, and community-based affection and protection.

Chief *Seattle's* famous manifesto for the most part is a hymn to the virtues of the Five Elements of the Natural Order as vital requisites for human welfare and life.

When health was lost, the indigenous native would turn to purification in order to recover it. As pointed out in the Maya Pixab: "*When disease, problems, pain and desperation invade our days, it is necessary to perform a purification so that harmony will return, so that peace and happiness will return.*" (Oxlajuj Ajput, 2001). Purification had diverse methods and depth, according to need: fasting, de-intoxication with multiple remedies, penitence, service to others, spiritual retreats, etc.

On the other hand, all the strength of the indigenous culture, and all its wisdom in terms of well-being, could not withstand the overpowering European conquering onslaught, which in the end inflicted on the aboriginal peoples one of the greatest genocides that the history of humanity has ever known. At the end of the conquest and colonial rule, about 90 percent of the American Indian population had succumbed. More than the action of the musket (harquebus), this was due to imported diseases that decimated them. And these, less than direct contact with the Europeans, as is usually said, came fundamentally from the collapse of their physical and spiritual aboriginal lifestyle in the face

of the European colonialist assault and enslavement. This meant the collapse of their immunological systems, leaving them prey to all types of disease. This is the same fate which, indeed, awaits present-day humanity, in which the deepening of an anti-nature lifestyle and the destruction or contamination of the natural environment have gone so far that it now faces a similar collapse,as evidenced by the present proliferation of diseases of the most diverse types.

The exploitation of the indigenous population continued in post-independence times, under the domination of the "criollo" (mestizo or mixed-race) culture in the new republics, in some aspects with even greater ferocity and contempt. This is true up to contemporary times, when after 500 years of servitude and resistance, a cultural and political indigenous resurrection movement seems finally to have begun in the Americas. This movement has benefited from international and domestic legal conquests that have recognized the "rights of indigenous peoples" to their own ancestral cultures and habitats, to a great extent. This laudable achievementmust be tempered, nevertheless, with the warning that in the ancestral indigenous wisdom the concept of "rights" - if it ever existed as such - was subordinated to the more important concept of duty-fulfillment. If one reads Chief Seattle's emblematic manifesto, this is a charter of duties: the duty to care for nature, to respect other living beings, etc; Seattle speaks little of rights. In this regard, the famous expression attributed to him, "*the land does not belong to men, men belong to the land*", typical of universal indigenous wisdom, summarizes everything. The new kind of indigenous sovereignty, emphasizing only rights - a distortion brought by modern culture - has lent itself to abuses in some aboriginal territories through the implementation of natural resource depredation projects, or in opposition to the integrality of aboriginal culture, promoted by indigenous persons alienated from their traditional culture and unscrupulous foreign partners, sometime even going beyond more protective national laws.

Satisfaction / contentment dimension

Let us turn now our attention to the satisfaction/contentment dimension of the concept of happiness. It has to do, as we have said before, with the more subtle, but also more crucial, dimension of happiness.

We can end up being unhappy even with physical health\ and in possession of many material assets and social relations,. Part of the explanation for this could be having too much of all these things, so that we can end up as "possessed possessors" (having too much, like having nothing, is an extreme that conspires against happiness). When greed enters into play in this process, the matter becomes more serious. As we

have said before, greed is anathema to happiness in a major degree, since those human beings who have fallen prey to it are never satisfied. As Gandhi said so well, "The world has enough to satisfy everyone's needs, but not enough to satisfy a single one's greed." Greed makes us want to accumulate assets or money in an insatiable manner, frequently at the expense of the needs of others and of the Natural Order, against the precepts of love, compassion and not harming life. "Goods" accumulated in this manner end up turning into "bads".

Jefferson had excluded property from the category of "natural right" in the Declaration of independence of the United States; the Proclamation referred only to life, liberty and happiness. Jefferson considered that property should have social limits, and therefore was more a 'civil right" – subject to regulation – than a "natural right". Private property and its evil usage through greed or avarice was seen by indigenous cultures in the same manner, as shown in the following statement by *Ohiyesa* (*Santee Sioux*) Charles Eastman: "The tribe claimed the ground, the rivers and the game; only personal property was owned by the individual, and even that, it was considered a shame to greatly increase. For they held that greed grew into crime, and much property made men forget the poor....Without a thought of same or mendicancy, the young, helpless and aged all were cared for by the nation that, in the days of their strength, they were taught and eager to serve. And how did it work out? Thus: Avarice, said to be the root of all evil, and the dominant characteristic of the European races, was unknown among Indians, indeed it was made impossible by the system they had developed" (Windwalker, 2002)

Another part of the explanation of why possession of things or relationships may not necessarily make us happy may lie in the quality of what one has or enjoys. We may possess a great deal but the quality of our possessions may fail to satisfy us.

But the most important reason for explaining why having or enjoying things does not guarantee happiness is the *ephemera*l nature of many of these, which causes all attachment to them to be inexorably destined to suffering when they disappear – as inevitably they must - from our lives. In regard to the latter, the greatest attachment of all can be the attachment to our own physical life, since, in truth, the only certain thing in it is that it will end in its own death, but without certainty of exactly when or how.

From the above emerges, then, the importance of attaching ourselves only to the transcendent, the permanent, and this is only achieved in God's territory and in the territory of the soul, or to say it in more

indigenous terms, of the Great Spirit or Creator, and the spirit of each one of us.

From the Creator and his works, the Natural Cosmos, comes all the indigenous wisdom for happiness. And let us remember that wisdom is a prerequisite - together with love, compassion, respect for all life and feeling useful - for the fulfilling of the well-being/contentment dimension.

Thus the following admission in the sacred Thanksgiving Prayer of the North American Oneidas: "Our mother earth takes care of all lives. Let's put our minds together. So be it in our minds..... To the one who made all things that we are thankful here on earth. Let's put our minds together. So be it in our minds".

Separation from the Natural Order was, for the indigenous peoples, a separation from wisdom. As exemplified by the following statement by the *Oglala Sioux* Chief Luther Standing Bear: "The old Lakota was wise. He knew that man's heart, away from nature, becomes hard; he knew that lack of respect for growing, living things soon led to lack of respect for humans too. So he kept his children close to natures' softening influence." (Nerburn and Mengelkoch, 1991)

Due to all of the above, it is necessary to reflect on the degree to which the most ancient indigenous gatherer-cultures, (those that had not entered the agricultural or industrial stages) were as primitive as present-day conventional wisdom would have us believe. The latter tells us that the evolutionary progression of man has ascended from gathering as the "most backward stage" to the industrial as "the most advanced". However, the gatherer cultures, on account of their depending on the intimate knowledge and mastery of the Natural Order in order to be able to survive sustainably on the basis of its wild fruits, were, indeed, closer to a greater wisdom – from the indigenous point of view that emphasizes a full understanding of the Natural Order.

On the other hand, conventional wisdom would also have us believe that aboriginal cultures such as the *Caribs*, who populated Brazil, Venezuela and the Caribbean Sea, were more backward than the Aztecs and the Incas simply because they lacked the monumentality of the latter – as reflected in their great cities, temples, pyramids, etc. But, could we not say, rather, that the Caribs were freer, happier, and wiser precisely because they avoided the above, being happy instead with living within a low-intensity use of their natural environment, through a de-centralized gatherer-hunter-agricultural culture, in good measure itinerant, without the ties of monumentality and social stratification characteristic of the great American indigenous empires? Historical evidence seems to indicate that, in fact, the Caribs, known for their great devotion to

freedom, remained in it deliberately and were, in fact, , more difficult to subjugate for the European Conquistadors.

Wisdom, Natural order Laws and happiness

For the indigenous peoples, therefore, the wisdom essential for happiness lies in being attuned to Nature and its laws. Among these the "The Law of the Oneness of Life" stands out:, "All is one and all is alive" – the great Shaman maxim. If we humans are only "a thread in the weave of life," as the great Chief Seattle said, then in consequence, as he said too, "anything we do to the weave, we will be doing to ourselves."

From this we deduce the corollary that we must avoid doing harm to all life (the *ama gua–a* commandment of the Incas, analogous to the *ahimsa* of Buddhists and Hindus) and, on the contrary, must profess love for all Creation. Creation itself, in truth, is an act of love; even our own lives as human beings come, generally, of the loving fusion between two beings. All Creation arises from love, is nourished by love, lives for love, and ends by dissolving itself into love. No wonder the First Commandment in the Christian tradition, coinciding with all the other main religions, refers to Love, in a "golden rule" present in all religions and encompassing all the other commandments.

Another cardinal law of the Natural order is "The Law of Impermanence" that says that "the only constant is that nothing is constant". In indigenous cultures deathin this sense is a great teacher, because it reminds us that today we have to live to the fullest. In the indigenous tradition, every "spiritual warrior" prepares for each battle as if it were the last, and by doing so achieves excellence. Impermanence teaches us to treasure the transcendent and the immortal as the most important elements for happiness, As the Yamparika Comanche Ten Bears said: "I look for the benefits which would last forever, and so my face shines with joy". (Nerburn and Mengelkoch, 1991). From the teachings of the famous Yaqui sage Don Juan, the saying: "always having death as companion and teacher" can stand as our as key to wisdom.

A third fundamental law is the "The Law of Cause and Effect", which says to us that "Every action produces a consequence or reaction". Thus, in every traditional indigenous culture the native is careful of all his steps; he is in a permanent state of alertness to foresee the consequences of what he does; he relates to the natural environment from a perspective of great respect, so as not to cause undesirable consequences that would inevitably affect him. For the same reason, in indigenous wisdom the notion of trying to repair any damages immediately is common, as is the notion of trying always for positive

actions so as to obtain favorable effects. With regard to all of the above, the following teaching of Chief Joseph of the Nez Perce nation in North America is illustrative: "We were taught to believe that the Great Spirit sees and hears everything, and that he never forgets, that thereafter he will give every man a spirit-home according to his deserts. If he has been a god man, he will have a good home; if he has been a bad man, he will have a bad home" (Nerburn and Mengelkoch, 1991).

In Venezuela, we see, with regard to indigenous cultures such as the Waraos and the Pemones, how the law of cause and effect is venerated in their meticulous ancestral cultural behavior codes, full of taboos and "contras" (to repair damages or counterweigh their effects) and recommendations so as to better get along with the environment and other living beings, how admirable their codes of behavior are.

Other laws, such as the "The Law of the Cyclical-spiraled Movement of life and its processes" (easily discerned by indigenous people in their close communion with the seasonal cycles of gathering, planting, water, etc.) "The Law of Analogy" (the microcosms reflects the macrocosms and vice versa), and "The Law of Complementary Poles", were also part of the vital cultural heritage of indigenous wisdom.

Happiness: a matter of being more than of having

From all of the above one can deduce that to reach happiness, definitively, the aspects of "being", linked to the transcendent and more lasting are more important than those of "having", linked to the less transcendent and more transitory.

Furthermore, in the case of ancestral indigenous wisdom, "Being", in the most satisfying manner, in the form most conducive to happiness, was linked to the greatest possible integration with Creation, with the natural order and its laws. The Hopi Indians, so revered for their ancestral wisdom, had summarized their creed of peace and happiness in the exclamation: *Techqua Ikachi,* which meant, "Blending with the land and celebrating life". This notion of life as a celebration reminds us of the following teachings in the Quechua tradition of the *Intij Inti*, The Creator said at the genesis of the indigenous people: "Go to the world to enjoy, because by enjoying you will learn, and by learning you will grow and by growing you will fulfill the sacred purpose of evolution." No wonder the general zeal of the traditional indigenous peoples for revering and respecting the Natural Order, so well summarized by Chief Joseph who, moreover, compared it with the attitude of the conquering European: "We were contented to let things remain as the Great Spirit Chief made them. They were not, and would change the rivers and mountains if they did not suit them" (idem).

Epilogue

Happiness: A vital life mission

All this brings us back to a fundamental aspect of the definition of happiness, its conformity with natural identity, in accordance with the Creator's designs, with our natural mission of existential life.

In this light, the following acute statement by Henry Steel Commager, with reference to the wisdom that has been lost, acquires universal significance: "Men were happy only in a natural state". Or, to say it in the reverse sense, if we achieve our natural identity we will automatically be happy, since as the Quechua Luis Espinoza has said, "Happiness is our natural condition and the main symptom of being in our right place."

To be happy, however, each of us has to add our individual life mission to the common existential mission in life we have as humans and living conscious beings. In relation to this, the following explanation of the Nawal concept of the Mayas summarizes it very well: "…Happiness and complete fulfillment in life are achieved by carrying through the work or function given to us at the moment of conception and birth… No one comes to the world because he wants to come, say the Elders, who wisely assure us that we all have a mission to fulfill in life; a role to play to benefit humanity. Every human being has a Nawal that defines a particular personality and makes him different from other persons… the life-mission will depend, then, on his qualities, aptitudes, virtues and defects as ruled by his Nawal, which is not more than a divinity that guides and helps the individual. It is his gift, his donation, his responsibility, and if he should resign the mission, he would fall sick, or worst of all, would die." (Oxlajuj Ajput, 2001).

We are happy, then, if we fulfill the mission to which we are destined as human beings, both in the cosmic sense as well as individually. We are happy, if we are simply what we are meant to be. And this constitutes a path, more than a destiny, in the here and now. Making an analogy with the simpler animal world: "the bird does not sing because it's happy, it's happy because it sings."

And by being happy, we transcend, we free ourselves from that which is of secondary value, the perishable.

This is analogous to the bird which does not fear the moment when the branch he is on will begin to creak, because it has wings to fly away.

This is like the wings to which we may appeal when physical death arrives, because, as Chief Seattle said, in the final analysis: "there is no such thing as death, but [only] a change of worlds."

This is like the wings placed over indigenous human beings in the sacred city of Tiwanaku in Bolivia or on the rocks of Atures in the Venezuelan Orinoco, which remind us of our own transcendence.

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Folktales and Education: The Role of Bhutanese Folktales in Value Transmission

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Abstract

This paper begins by introducing Meme 'Haylain' Happiness, a concept drawn from a Bhutanese folktale about an old man, Meme Haylay Haylay, who exchanges his turquoise for a song, and happily returns home singing the song. It questions whether we are ready to pursue happiness in our daily life like Meme Haylay Haylay who had realized that more happiness would flow from singing a song than from guarding the turquoise. The paper then explores the roles of Bhutanese oral tradition in educating children who could not avail themselves of either monastic or modern education. It argues that modern education, which primarily provides secular, pluralistic, egalitarian and market values necessary for running economic, political and legal institutions and the machinery of the modern nation-state is deficient in many ways; it is the oral tradition which fills this gap by inculcating universal, humanistic and Bhutanese values. It also discusses the main functions of Bhutanese folktales which are about trivial events but embedded with multi-layered meanings of great moral and social importance, with experiences drawn from daily life. The common motifs of the tales are chosen to relate them to the daily realities of the Bhutanese people. Lastly, this paper makes some policy recommendations to promote, document, disseminate and study the Bhutanese folktales through the mass media such as the press, radio, TV, internet, and film industry.

What is Meme 'Haylain' Happiness?

One of the most popular Bhutanese folktales, "Meme Haylay Haylay and his Turquoise", provides a secret of how to find human happiness or, as most would argue, foolishness.

Meme Haylay Haylay and his Turquoise[1]

Once upon a time there lived a poor old man called Meme Haylay Haylay. One day he went to dig a meadow. As he uprooted, with great effort, a stand of Artemisia plants, he found a big, round, shinning turquoise. The turquoise was so heavy that a man of his age could hardly lift it with one hand. He stopped digging and went home, carrying the heavy stone in his cane basket.

On the way he met a man leading a horse with a rope. "Where are you going, Meme Haylay Haylay?" the horseman asked.

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[1] Dorji Penjore (forthcoming) *Hanging Testicles and Other Folktales from Kheng*

"Don't say 'Meme Haylay Haylay' any more," the old man replied. "Meme's fortune is burning today. As I was digging in a meadow, I found this turquoise."

Before the horseman saw the jewel or uttered a word, Meme Haylay Haylay threw a business proposal, "Will you exchange your horse with my stone?"

The horseman stood speechless, for who in the world would barter a turquoise for a horse.

"Don't joke, Meme Haylay! Your turquoise is priceless, whereas my horse is worthless," the horseman replied.

"Priceless or worthless, you talk too much. Let there be less talk. If you want to trade, take this stone and hand me over the rope," Meme Haylay Haylay said.

The horseman lost no time in throwing down the rope and going his way, happily carrying the stone. Meme Haylay Haylay went his way, feeling happier than the horseman.

That was not the end of Meme Haylay Haylay's business. On the way, he met a man with an ox and exchanged his horse for the ox. He then bartered his ox for a sheep, the sheep for a goat, and the goat for a rooster.

Lastly he last met a man singing a melodious song. Tears of happiness welled in Meme Halay's eyes as he listened to the song. "I feel so happy by merely hearing the song. How much happier I would be if only I knew how to sing myself?" he thought.

"Where are you going, Meme Haylay Haylay?" the songman asked him.

"Today, don't say 'Meme Haylay Haylay,'" the old man replied. "Meme's fortune is now burning. As I was digging in a meadow, I found a turquoise. I exchanged it for a horse, the horse for an ox, the ox for a sheep, the sheep for a goat, and the goat for this rooster. Take this rooster and teach me how to sing. I like your song so much."

After learning the song, Meme Haylay Haylay parted with his rooster and went home singing the song, feeling the happiest, richest and most successful businessman in the world.

The audience's reactions to this story are mixed, since there are many versions of the story. Variations resulted more from how people prefer to interpret and less from their frail memory. Two versions differ in how they end. In the above version, Meme Haylay Haylay returns home singing a song, feeling so happy. In the second version, Meme Haylay Haylay meets a man playing a flute and exchanges his rooster for the flute. While playing the flute, he steps on a pad of fresh cow dung and slips. When he gets to his feet, he discovers he can no longer play the flute. He ends up possessing nothing. In another version, he learns how to sing a song and forgets it after skidding on a cow dung.

Whatever the versions, Meme Haylay Haylay, like the great Buddhist saint Drukpa Kunley, satirizes the conventional business practice of profit-making. Drukpa Kunley attacked the "abuse of authority by privileged hierarchs, exploitation of the ignorant and superstitious, preoccupation with peripheral religious concerns, wealth, and fame, and many other forms of 'spiritual materialism;'" he worked "to free the human spirit's divinity from slavery to religious institutions, and moral and ritual conventions," believing that "total renunciation and detachment, including detachment from … religious institutions, were necessary conditions for perfect happiness," and used "sex," "outrage and laughter" etc., as "the skilful means" "to shock people out of their lethargic acceptance of the neurotic *status quo* of their minds, and out of their attachment to conventional forms."[2]

Meme Haylay Haylay makes a mockery of his barter partners – the horseman, ox-man, sheep-man, goat-man, rooster-man, and song-man -- who exchanged their happiness for material possessions. Perhaps Meme Haylay understood the futility of finding happiness through wealth accumulation, and that more happiness would flow from singing a song than from possessing a turquoise. But most people portray Meme Haylay Haylay as a foolish man who is not to be emulated. Today a bad business is often compared to Meme Haylay Haylay's business, and common sense holds that one should not emulate Meme Haylay Haylay. When the tale ends, the audience has to make a choice between Meme Haylay Haylay and his barter partners. The great Buddhist master, Shantideva wrote:

> The goal of every act is happiness itself,
> Though, even with great wealth, it's rarely found.[3]

Individuals and families, societies and nations, dreams and visions, systems and institutions, ideas and ideals can be divided into two camps: Meme Haylay Haylay and his barter partners. Are we winning, like Meme Haylay Haylay, or squandering, like his barter partners, in pursuing happiness? In which camp do we belong? Are we ready to adopt the Meme 'Haylain' (author's word) way of finding happiness in

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[2] Geden Rinchen (1996) *'gro ba'i mgon po chos rje kun dga' legs pa'i rnam thar rgya mtsho'i snying po mthong ba don ldan*; Keith Dowman and Sonam Paljor translation (2000), *The Divine Madman: The Sublime Life and Songs of Drukpa Kunley*; illustrated by Lee Barslag; Pilgrims Publishing, Varanasi & Kathmandu.

[3] Shantideva. *Bodhicharyavatara* (*byang chub sems dpa'i spyod pa la 'jug pa*), *The Way of the Bodhisattva* (1999), Translated by the Padmakara Translation Group, Boston: Shambhala, p.73

our daily lives? But Meme Haylay Haylay is an alien, a misfit; he is everywhere outnumbered, as in the story!

Introduction to traditional education

Bhutan is still an oral society. This is not surprising, since "70 percent of the world's peoples are oral cultures, meaning they require or prefer to communicate through narrative presentations, storytelling, and other traditional art forms."[4] Modern education was introduced only in the late 1950s[5], and before that, the monastic system[6] that provided Buddhist education[7] was accessible only to a few privileged families. Women were excluded, with exception of a few nuns. But folk composition, narration, acquisition, memorization, and the daily use of indigenous knowledge through oral medium have been a continuous process. It is the equivalent of today's universal education. Children who could not avail themselves of either monastic or modern education, for various reasons, have always resorted to the traditional education system. Farmers use the oral tradition to express their ideas, values, norms, beliefs, superstitions, culture (or indigenous knowledge system), and to pass them on to their children orally and active participation in, and observation of, both formal and customary socio-religious, cultural and political institutions and events. They have used this indigenous learning system to acquire and acquaint themselves and others with the local knowledge required for interaction with man, nature, and spirits.

Bhutan's success in education is mostly attributed to the modern education system. The contributions made by family and community are seldom mentioned because un-priced family services are always taken

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[4] A. Steven Evans "Tears and Laughter: Promoting Gross National Happiness through the Rich Oral Traditions and Heritage of Bhutan", in *Gross National Happiness and Development*" the Centre for Bhutan Studies, 2004; p. 637.

[5] RGOB (2003) Education General Statistics 1003, Thimphu: Planning and Policy Division, Ministry of Education

[6] There are two parallel monastic education systems. The first one is the formal one provided by the central monk body (*dratshang*) at the national level, and the second one is centered around individual Buddhist lamas with some lay disciples (*gomchen*) at the local level, mostly in the east and central Bhutan.

[7] Padma Tshewang, et al (1995) *Treasure Revealer of Bhutan: Pema Lingpa, the Terma Tradition and its Critics,* Bibliotheca Himalayica Series III, Volume 8, Edited by H.K. Kulöy, Kathmandu: EMR Publishing House. The monastic system catered mainly to the study of the five major sciences (*rig gnas che ba lnga*): astrology (*rtsis*), poetics (*snyan ngag*) metaphor or synonymics (*mngon brjod*), metre (*sdeb sbyor*) and drama (*zlos gar*); and the five minor sciences (*rig gnas chung ba lnga*): craft (*bzo*), medicine (*gso ba*), sound (*sgra*), logic (*tshad ma*), philosophy (*nang don rigpa*).

for granted. Every child has a family, but students share one school. A family supplements any deficiency that elder family members discover in children's values, manners, and character through the use of proverbs and folktale morals as pedagogic tools. Parental influence starts from the day a child is born, while school comes later, after the foundations have already been laid. Most rural households have one or more family members in bureaucracy, business or schools. But the secular, pluralistic and egalitarian values (understood to be synonymous with modern values) they represent are mostly out of place in villages. These values, which are necessary for effective running of the economic, political and legal institutions and the machinery of the modern nation-state, do not evolve from within; they are imposed from without, without much relevance to daily life.

Modern education is limited to imparting cognitive, linguistic and vocational skills, and promoting pluralistic and egalitarian values. It rarely transmits important cultural and social values, knowledge, and behaviours. Indigenous knowledge systems of families and communities, age-old institutions and rituals that punctuate the life cycle, richly supplement the deficiencies of the modern system. Most Bhutanese children grow up hearing folktales from their grandparents or parents, and this rich oral tradition is instrumental in shaping their personality in formative stages. Modern education may succeed in turning man into an efficient machine for the market, but in creating value-based, socially responsible individuals, oral tradition plays an important role. Certainly there is a potential for schools to be neutral institutions in promoting universal and humanistic values in overcoming the serious incongruities between what is taught and what is socially and politically valued. But the market has always enjoyed the upper hand.

Similarly, rural oral societies have played a big role in preserving our unique culture. In doing so, people do not make a concerted effort; they do it by merely living their daily lives. Any action, work or participation in daily life is equivalent to living the culture, and, even more, to transmitting the culture and values to the next generation.

Functions of Bhutanese folktales

Some of the Bhutanese oral literary genres are *srung* (folktale), *glu gzhas* (folksong), *dpe gtam* or *dpye gtam* (proverb), *gtam rgyud* (legend), *blo ze* (ballad), *tsang mo* (western equivalent of quatrain?), *gab tshig* (riddle), *dgod bra* (joke). The folktale is the most popular and widely available folk literary genre. Known as *srung*, *trun*, *krun,* etc., in different dialects, village elders are repositories of folktales in different versions. They have

perfected the art and committed the tales to memory by repeated narrations to their children, close relatives, or others' children.

Bhutanese folktales exist for life's sake, serving multi-purpose functions for individual, family and for society and community. There are multi-layered meanings embedded in the tales. Most folktales recount trivial events but are of great moral and social importance, with experiences drawn from daily life such as farming, fishing, hunting, religion and rituals, cattle business, adventures with domestic and wild animals, interactions with human companions and spirits such as ghosts, life and death battles with man-eating demons, business journeys to other villages, conflict and reconciliation with rulers, etc.

Bhutanese folktales have four main functions – their role in children's education, entertainment, and communication, as a repository of history, language, culture and values, and their spiritual functions.

Education of children

Of the tales' many functions, the most important one is the education of children. The poet Schiller wrote, "Deeper meaning resides in the fairy tales told to me in my childhood than in any truth that is taught in life." The Bhutanese extended family system functions as a school where grandparents, parents, elder and other family members educate and prepare children for adult life. Folktales serve as a vehicle for intergenerational communication that prepares and assigns roles and responsibilities to different generations in their communities. Values are acquired through the maintenance of, and direct participation in, social, cultural and religious institutions. Education is not only acquired, but lived through the tales. They are more pedagogic devices and less literary works, deliberately composed to inculcate values in children with no formal instruction on what and what not to do. Distilled folk wisdom like proverbs, for example, validates values and beliefs, which are reinforced practically in adult life. Folktales make children imagine and create their own mental pictures, and this mental exercise leaves the deepest impression on them, creating the folktales' rightful place in their imagination. Folk wit and wisdom are not taught through formal arrangements, but through direct observation in earlier stages of life and through direct participation in events themselves. To children, entertainment is the end, and values inculcation comes as a by-product without their being aware of it. To parents, value transmission is the main objective, and entertainment is a by-product. Scolding parents distil folktales into proverbs and use them to guide children's behaviour,

thought and action. "A confederation of frogs can kill even a tiger," for example, is a distillation of the folktale, "Come on Acho Tag! Jump!"[8]

Listening to folktales momentarily transports the audience, mostly children, to a different world; later reflection connects the folktale world to the real world that they will soon inhabit as adults. It is when they first understand and link these two worlds that the values so imparted are used in their interactions with man, animals, the physical world and spirits. This wisdom is not ordinary; it has been time-tested through many years of interaction or experience with the real world. The morals of tales are packaged into proverbs. Stories express moral or practical wisdom and provide an insight into the adult world. It is common for village elders to quote from some well-known folktales: *like in the tales, you will end up getting nothing*, or *don't behave like a tiger in the tale*. Through tales, children are exposed to knowledge, experiences, morals, customs, rituals and beliefs they are supposed to live through as adults. Tales also introduce social customs, institutions, and organizations, and their processes. Characters who do not observe some basic social values are punished. Some of the values are, respect for ruler, parent, senior, superior, master, older person, teacher, lama, monk etc.; help or advice for children, subject, junior, subordinate, disciple, student etc. One popular *blo ze* provides clues to some important social values:

> My friends who have been companions since I was a child
> Do not be remiss, please listen to me once;
> Before I return from the east to the west
> These are the things you have to keep in your minds:
> First, to serve the lords who are above
> Second, to perceive the adversity of subjects who are below
> Third, in between, for oneself to be successful
> You must strive carefully, my friends.[9]

When old people stay at home with children during the day, the former nursing the latter, and often narrating folktales, parents and adults are out in the fields. But the folktale narration is the replication of what elders are experiencing in the field even as tales are being told. Children will soon face the adult life portrayed in the tales. This prepares children for adult life. It warns them about the danger of wild animals and cultivates universal values such as compassion, generosity, and

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[8] Dorji Penjore (2005) *Was it a Yeti or a Deity?* Thimphu: Galing Printers and Publishers

[9] Karma Ura (1996) *The Ballad of Pemi Tshewang Tashi – a Wind Borne Feather* , Thimphu: Karma Ura; p. 32-34

honesty, while disapproving attributes such as cruelty, greed and dishonesty. Usually narrated in the late evening or before children go to sleep, the timing is appropriate, since plots or memorable scenes often return in dreams and are therefore re-enforced. This helps in drawing lessons from these tales. It is also a sleeping pill.

Entertainment and communication

The images of the world portrayed in folklore are often harsh and dangerous so that children learn lessons. There was little space for interaction between communities separated by swift rivers and high rugged mountains. Various languages and dialects were another barrier to easy communication. The forms of entertainment are limited to playing traditional sports like archery, *khuru* (dart), *kap,* etc., on special days such as *losar* (new year) and *duchen* (sacred Buddhist days). Women were mere audiences without any traditional sports, except for singing and dancing folksongs. And worse, there is no institutionalized or formal sport for children. In the absence of any form of sports and games, folktales come as a relief for entertainment-hungry children.

The oral tradition acts as a tool of communication and provides strategies for social interactions, playing an important role in social life. Communication is not restricted to surviving generations; future generations can communicate with the dead through folktales despite it being a one-way communication.

Repositories of culture and values

Oral tradition is a source of the country's culture and values, providing insights into the history of villages or regions. In Bhutan, as a society that has just evolved from an oral medium, and where a literary medium is still in its infancy, information on different villages and people, their habits, norms, beliefs, traditions (ethnography) still exist in oral form, and have never been committed to writing. For example, it is impossible to conduct research on a particular village without the assistance of *goshey*, *nyenshey*, and *lapshey* (village elders who can understand, listen, and converse). Folktales help to instil a sense of belonging, patriotism and identity. The settings and plots are designed to increase children's awareness of the diversity of the culture and geography. According to William P. Murphy "the folk were seen as the repository of the old customs and manners of an earlier stage in the nation's history, reflecting the unique spirit and genius of the nation."[10]

[10] Murphy, William P. (1978) "Oral Literature" in Annual Review of Anthropology, 7:113-136.

Folktales and spiritual needs

Folktales also serve the spiritual needs of the people. Some Bhutanese folktales are similar to those in neighbouring countries such as Tibet, India, and Nepal. Some definite influences came from the Jataka Tales – stories depicting life and activities of previous incarnations of Lord Buddha. These stories arrived in the country through Buddhist texts, school textbooks, pilgrims and travellers, mostly Tibetans. They are transmitted to the people by monks and gomchens. These tales, explaining sublime Buddhist teachings through parable, are told and retold to farmers, and farmers in turn narrate them to their children.

Features of Bhutanese Folktales

Society and social structure

Bhutanese folktales provide clues to ancient society, social hierarchy, organizations and their processes. It is peopled with characters like good and bad kings and queens, princes and princesses, ministers, lamas, rich people, businessmen, traders, astrologers, monks, the poor. These characters, including the world of animals and spirits, engage in social, political and economic competitions. At the apex of the social and political hierarchy are the kings, who are supported by wise ministers and a retinue of loyal courtiers. Persons working as court servants are held in high esteem. The protagonist – usually a poor boy soon to become king himself – is seen serving the king. Lamas, monks, gomchens, astrologers, rich men, cattle traders, businessmen fill the second stratum. They are mostly assigned secondary roles, and serve to move the plot forward. In the last group are the poor people and their children, hunters, fishermen, farmers, *tseri*-cultivators (*tseri* is a shifting cultivation), beggars, shepherds, orphans, etc. They are normally given protagonists' roles.

The social system is not rigid, since any clever and kind-hearted poor boy or orphan can end up becoming a king. The king is as much a subject of ridicule as he is of respect. Everyone aims to become a king, and it is not difficult, given the stupidity and foolishness of a cruel king when face to face with a shrewd and clever protagonist. So the kings, together with rich people, are often seen in a bad light. A poor boy is seen waking up inside a *dzong* surrounded by servants and later crowned king.

In other societies, oral literary forms serve the manipulative purposes of privileged social groups, whereby plots of folktales usually authenticate their privileges. This is not true in the Bhutanese context where folktales are really folk, peasant, or farmers' tales. If every folktale

upholds the interests of a vested group, then existing Bhutanese folktales serve the farmers' interests. The king and the rich people normally represent bad qualities in contrast to ordinary people, the poor and orphans, who all represent good qualities. At least in folktales, the social, economic and political hierarchy is overturned or subverted. The poor boy becomes the king, and the king is reduced to an ordinary subject in disgrace; and worse, the king meets a cruel death.

Farming tseri and mothers' trick to transform lazy sons

In many folktales, farming is the common motif, and *tseri* the main activity. Wetland is never mentioned. This shows that *tseri* cultivation must have been a dominant farming activity in ancient times, when there was no modern irrigation system to convert dry land into rice terraces. *Tseri* cultivation was widely practiced until it was banned in the early 1990s for environmental reasons. In the stories, a lazy-boy-turned hero displays his strength and skills in clearing forests; an old man and woman go to clear forests for *tseri* cultivation and adventures with wild animals follow. Crops cultivated are rice, grown in dry land, millet, barley, buckwheat, and maize. In some stories the types of crops grown are not specified. Clearing forests is considered a difficult job, and so a lazy boy is deaf to his mother's advice. For instance, in "The Lazy Boy and the Fish"[11] the king plans to take the lazy boy's wife as his queen. She is not an ordinary girl; she came out of a fish. The king orders the boy to clear the forest and to sow one *uwa*[12] of millet. Usually a man could clear forest to sow one *phuwa* of millet, and thousands *phuwa*[13] equal one *uwa*.

Another common motif is the trick a mother uses to transform her lazy son into a hardworking man or hero. As is often the case in a farming society, the young boy avoids the dual tasks of farm work and load carrying. This attitude forebodes ill for the family, where human labour is the backbone of its livelihood. Men, more than women, are the main source of farm labour. Being a lazy son is not only degrading to the person himself but also to family and society. The boy, a protagonist, is too lazy even to eat the breakfast cooked by his mother and forgets to get up early; layers of dirt cover his skin; and his legs are red after sitting near the hearth most of the time. The mother's advice and scolding are compared to pouring water on stones. One morning, the mother comes up with an idea: while the boy is sleeping, she keeps dried beef in the attic. As the smell of beef draws many cawing crows, she wakes him and

[11] Dorji Penjore (2005) *Was it a Yeti or a Deity?*

[12] *Uwa* is a huge cane container used for storing grains.

[13] A container for measuring grains.

literally forces him to climb up to the attic. The boy wakes up lazily and finds meat in the attic. He takes the meat and exclaims, "Mother, I found this!" The mother replies that if he can find meat in the attic, he can find anything outside. She packages advice through a proverb: *it is better to get up than to sleep; it is even better to go out than to merely get up*. But the boy is still lazy. Next morning, the mother keeps butter outside the house and wakes him up, "Wake up! Wake up! Go and see why dogs are barking and fighting outside." The boy goes out and finds butter. From that moment, the boy begins to believe his mother and himself.

The next day is a different day for him. He begins to work, clear the forest, burn it, plough fields, sow seeds, and reap enough grain to last for one life time. He then leaves his home and mother in search of an adventure. During his journey to an unknown destination, he does impossible tasks like subduing demons, defeating other heroes, and solving obstacles and problems faced by villages or communities. The story often ends with the boy becoming the king. The moral of such a story strikes young men and women who are by nature not hard-working and instils a sense of self-confidence. It holds the common wisdom that even a lazy boy is capable of becoming a rich man, a hero or a king. The boys shake off their laziness after hearing the story.

Characters in disguise

One interesting characteristic of Bhutanese folktales is roles played by disguised characters in the plot development. Characters are disguised as fish, dogs, frogs, deer-bones or birds. They usually appear to heighten the plight or suffering of protagonists' who are already going through difficult times. But protagonists never reject or abandon them; good or bad, they take good care of and accompany them. The plot develops into this template: when protagonists are away, disguised characters show their real identities and begin to clean house, make fire, and cook delicious food. A handsome man appears out of a frog, a beautiful girl out of a fish, a lovely son out of bird, etc. Suspicious protagonists pretend to go out to work and hide inside the house. Assuming that the protagonists are out, disguised characters show their real identities in the form of a man, son or girl. They leave their body skins, feathers or scales behind. Protagonists usually come out of hiding and burn the body skins, scales or feathers, much against the others' protests. This is followed by 'Why did you play this trick on me?' The other replies, "It isn't the right time to burn it; you'll suffer for this. Since you have burned it anyway, throw its ashes all over the house and fields." Ashes do wonders. Next morning, they wake up inside a *dzong* and the ashes get transformed into gold, silver, clothes, grains, meat, pork, cattle, yaks, horses, sheep, goats,

chickens. They either marry or live together happily thereafter. Protagonists have the potential to become more powerful and richer, but their hubris spoils them. It was a deliberate plot. The disguised characters, while moving the plot ahead, provide a valuable lesson that adversity is a disguised prosperity. That whatever be the present pains resulting from farm work, good times lie ahead. These lessons strike deep inside childhood memory in its formative stage, especially in children of poor people and orphans.

Journey for cattle business

The Bhutanese term for 'rich' is *phyug po*, meaning 'the one with livestock'. As in the past, cattle are still the main form of wealth in rural Bhutan. In folktales, the cattle business is one common motif. Plots are woven around protagonists' journey to buy cattle in other lands. Normally, two characters, mostly the rich and the poor man's sons, representing two opposite sets of values, travel to distant lands. During the journey the rich man's son tries to deceive his poor friend. First he attempts to get his money, and later his cattle, even to the extent of killing his friend. But he himself gets deceived in the end. The values embodied by the rich man's son are negated, as he lands in trouble. He is either transformed physically into an ugly man or returns home as a poor man. On the other hand, the values represented by the poor man's son always enjoy the upper hand. To validate the poor boy's values, circumstances are even made to favour him. This only confirms the Bhutanese saying: *as you blow the fire in one direction, the fire burns your beard from opposite direction*. Normally, they make a bet. The poor man's son either wins the bet or gets all the rich man's money or the rich man's son's cattle and returns home with hundreds of cattle. The honest poor man's son becomes rich without much effort. While it is every human's aspiration to become rich, becoming rich through socially unacceptable means is rejected. There is no honour and glory in getting rich through deception and falsity.

In many folktales, *tshomen* (mermaid or water spirit) or the kings or queens of *tshomen* invite protagonists to reciprocate their gratitude for saving their sons or daughters from humans. They are awarded a *norbu* – a wish-fulfilling jewel. After acquiring the jewel, protagonists never wish for palaces and wealth to equal the kings. If they wanted it, the whole world could have been at their command: they could raise armies and conquer the whole world. But that is not what parents want to teach their children. In one story, the protagonist refuses to accept even the wish-fulfilling-jewel; he rather wants to be with his companions, the dog and cat. In "The Statue which Spoke" an avaricious astrologer who lives on

the goodwill of his rich neighbour tries to deceive her into getting her jewel, and, as a consequence, he meets a tragic death.

In the stories how rich people became rich is not described. He is already rich when the story begins. The poor struggles for a simple living by tilling the land, growing crops and guarding it from wild animals. But how the rich man becomes rich is indirectly shown through his son, who always represents bad qualities like wickedness, avariciousness, cruelty, deception, and dishonesty. These qualities made them rich. The poor become rich through right reasons, good causes, and justifiable means.

Klu, ghosts, spirits, talking trees

The Bhutanese interaction with the outside world is three-dimensional. Besides humans, physical entities like wildlife and invisible forces play an equally important role. In folktales, humans interact more with animals, trees and spirits like ghosts than they do with their human counterparts. This can be easily understood since rivers and mountains that separate different communities limit human interactions. There is a strong belief in the forces of *chosung* (protecting deity), existence of *migoe* (yeti), *tshomen*, *bjachung* (mythical bird), *druk* (dragon), *sondre* (malevolent spirits of the living), *shindre* (malevolent spirits of the dead), etc. There is a communication between man and a pantheon of deities and spirits of both the Buddhist and the pre-Buddhist faith, Bon, who are considered as forces for prosperity, well-being, good fortune (*bde legs*); long life (*tshe ring*); health free of epidemics (*nad med*); riches (*longs spyod*) and bumper harvests free of famine; timely rainfall free of drought; and elimination of pernicious influences (*gdon*) that lead to poverty, illness, early death, epidemics, famine, and drought. Folktales reinforce belief in these forces.

The protagonists' adventure with animals is also a common motif, and animals play a big part in the plot development. That animals, rocks and trees cannot speak in reality but only in folktales draw children's attention, and helps in remembering and understanding stories clearly. Animal characters include domestic animals like the cow, ox, sheep, goat, chicken, cat, dog, and rat, and wild animals like the snake, deer, barking deer, porcupine, monkey, langur, sparrow, crow, bear, tiger, leopard, fish, frog, hoopoe, etc.

One interesting mythical-animal character is a *migoe* or yeti, the abominable snowman. The rational minds reject its existence, but it is a common sense reality for Bhutanese farmers. The encounter with a *migoe* is not only confined to Bhutanese stories,[14] but also in Bhutanese

[14] Kunzang Choden's *Bhutanese Tales of Yeti* (1997) is solely about yeti stories.

mountains. In one story,[15] the yeti abducts a woman as his wife; she even bears the beast's children.

In one story,[16] a man leaves his pregnant wife home and goes to fish in a river with his friend. At night, he decides to take shelter beneath a tree and asks the tree spirit to give him refuge and protect him from any harm. His friend does not bother to ask for the shelter and sleeps beneath another tree. At night, the man hears different tree spirits talking: "A child is born in a village; it's time to feast on the family offerings and write the child's destiny. Aren't you going?" one spirit asks. "I can't go; I have a guest to protect tonight," his host tree replies. After some time the spirits return and his host tree spirit asks, "What offering did the family make? And what fate did you write for the child?" "It was a waste of time. The poor mother is alone, and there are no offerings at all. We were so angry and destined that the child should be killed by a tiger," the spirits reply. Soon, the man realizes that the poor mother must be his wife. He rushes home and finds that he was right. As predicted, a tiger kills the boy. When asked, the tree spirit saves him, while a host of malevolent spirits kills his friend for failing to seek protection of tree spirits.

The story teaches that the physical world does not belong to man alone, and every tree, water body, rock, cliff, and mountain has its owner. Spirits take care of trees, which are important to humans, while spirits draw their partial livelihood from human's offerings made during birth, sickness and death rituals and rites. There is a mutual interdependence between the physical world and humans.

Policy Recommendations

The objective of preserving and promoting Bhutanese culture features in most past five-year development plans, long before cable TV was introduced in 1999 and triggered an urban discussion on its negative impacts on children. Traditional culture, which the government is promoting to a few sections of the population in Thimphu and other urban areas through various initiatives, is largely intact in rural villages even without the government's efforts. One can take comfort from the fact that about two-thirds of the Bhutanese population are farmers. But this demographic strength cannot withstand forces of change as tentacles of motor roads penetrate even *baeyul*, the hidden lands. For example, the government was deaf to genuine community complaints that the Nangar-Ura by-pass motor road would destroy some sacred *nyes* (religious sites)

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[15] Dorji Penjore (forthcoming)
[16] ibid.

which are of national importance. Deprivation of modern development services such as roads and electricity was a blessing in disguise despite people having to transport iron, steel, cement and other commodities on draught animals and on their own backs. Electricity, while illuminating village nights, also brings in TV and a host of other gadgets that are far removed from the genuine needs of the people.

But we have desperately failed to use the strength and wisdom of the urban populace to promote traditional tales and ways in schools through curriculum or to the larger population through mass media like TV, radio, press, and film. This failure can be largely attributed to the government's and the public's failure to recognize and appreciate the values and wisdom represented by the people. The concept of 'folk', meaning farmers and rural peasant groups, has been assigned a lesser, peripheral importance without much relevance. This paper presents three concrete policy recommendations for bringing our rich oral traditions into the centre of our collective life.

Archiving and documentation

Walls of rural Bhutanese houses may have once echoed and re-echoed with folktale narrations, but the frequency of narrations today has become ever less. There is a huge gap between the original folktale reservoir, which can still be narrated today, and what has been documented or committed to writing. School children take less interest in listening to parents' stories when they have worldwide choices of better stories to read, listen, and watch, especially the mass media. So people's ability to recollect or narrate folktales is under threat as there are fewer occasions on which to narrate them. The death of any village elder is a loss of one important irreplaceable element of the heritage, and one important task ahead is to document all available folktales and knowledge that exist in oral form. A few books on Bhutanese folklore have been published, not through government's initiative or support, but through the effort and initiative of private individuals.[17] One can find one or two copies of these books in every school library amidst heaps and

[17] *Folktales of Bhutan* (1994) and *Bhutanese Tales of Yeti*i (1997) by Kunzang Choden, *Tales from Rural Bhutan* (1997) by Kinley Wangmo, *Folktales of Bhutan* (1998) by Rita Thomas, *Talisman of Good Fortune and Other Stories from Rural Bhutan* (2002) by Rinzin Rinzin, *Heard from Grandparents* (2002) by Drugyal Higher Secondary School Literary Club, *Bhutanese Folktales – From the East & the South* (2004) by Gopilal Acharya, and *Was it a Yeti or a Deity? by* Dorji Penjore. Sonam Kinga's *Speaking Statues, Flying Rocks* (2005) is a documentation of various Bhutanese myths, beliefs, and history based on oral sources.

shelves of folktale books from other countries. The government must initiate a major program to document and archive existing folktales, folksongs, proverbs, myth, legends, etc.

Promotion through mass media

Mere archival documentation is worthwhile for preservation purposes, but it is far more useful if the materials collected are promoted through various mediums. The communication media can be exploited to educate and disseminate folktales. There is a tremendous potential to reach and reorient the public around the richness of Bhutanese folklore, given the proven efficiency of mass media like TV in commercial advertisement.

For the wider Bhutanese audience, no medium is more effective than radio. The national radio service, the Bhutan Broadcasting Service (BBS), enjoys a broad and large audience. Broadcast in four languages, Dzongkha, Sharchop, Lhotsham, and English, it is popular because of its affordability, reliability and effectiveness. Different ministries and departments have been using it to educate farmers and other sections of the public on farm techniques, health, hygiene, sanitation, family planning, child immunization, and STD. BBS could develop the existing story narration radio program (mostly foreign stories) by including Bhutanese tales. Similarly, there is a popular folktale-narration program in the Sharchop service where farmers narrate the folktales. *Kuensel*, a weekly national newspaper, currently has a literary page for children, consisting of poetry, short stories (fiction), essays, reflections, etc., mostly contributed by students. But Bhutanese folktales do not have any space. Like the Dzongkha edition of *Kuensel* which publishes poetry, *tsangmo* and *lozey*, English *Kuensel* needs to publish folktales and other oral literary genre for a wider readership.

BBS-TV is widely blamed for its inadequate national programs to balance foreign programs telecast on more than 50 foreign channels. The public demand here is not to rival foreign programs with similar Bhutanese form and content, but to produce unique programs about the Bhutanese people, by Bhutanese producers, for the Bhutanese audience, something that cannot be produced by other TV channels. This initiative, besides promoting folklore and inculcating values, will help fight the intrusion of foreign programs into Bhutanese homes.

If the Bhutanese film industry is guilty of one sin, it is the failure to adopt and adapt oral traditions; instead, it relies on a rampant borrowing of foreign forms, themes, and stories. The nascent film industry is a servant of the market, which is largely dictated by commercial interests and the tastes of the urban audience largely developed by Bollywood and Hollywood films. Films are produced for a literate urban audience, and

producers never think about the entertainment of rural population. There is a huge potential for the Bhutanese film industry to raise its standards and relevance by adopting and adapting timeless stories from oral traditions. Bhutan's first motion picture, *Gasa Lamay Singye* was based on a true mediaeval historical story. It drew success solely from the story. Similarly, Dzongsar Jamyang Khyentse Rimpoche's *Travellers and Magicians*, the first international Bhutanese feature film, explored a theme from Bhutanese traditional stories and related it to modern themes. There are many unique themes and stories in folklore, *lozey* (ballad), myth, legends, and *namthars* (hagiography) that are not yet used. For example, *The Ballad of Peme Tshewang Tashi*[18] can make a great film, and so will *Gelong Sumdar Tashi: Songs of Sorrow*.[19]

The internet provides one efficient means of disseminating Bhutanese folktales. Folktales of different countries can now be accessed on the internet. Websites should be encouraged to post Bhutanese folktales. Interested individuals, especially students, should be encouraged to document traditional forms and to post them on the web. In this way, students can be involved in the preservation and creative process.

Incorporation into the curriculum

Including folktales in the curriculum is an important process of cultural orientation for children as they grow and learn away from their homes. This helps in reinforcing whatever they learn orally from their parents and in dispelling notions that parental education is irrelevant or relevant only in villages, while what is taught in schools is useful globally. Schools are the right target of folklore dissemination, since students who acquire secular, egalitarian, and market values are the biggest agents of change. After they complete education to join government service or business, their role as parents and agents of change will be severely tested. The vigorous promotion of the oral tradition in the schools will help in balancing the modern values they acquire there.

This does not mean folktales are not studied in schools. English and Dzongkha textbooks taught in primary schools have some space for folktales and stories. This is further reinforced by the 'values education' initiated in the late 1990s to provide holistic education. This initiative incorporates values as "an integral part of teaching and learning like all

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[18] Karma Ura (1996) *The Ballad of Pemi Tshewang Tashi – A Widn Borne Feather,* Thimphu: Karma Ura

[19] Sonam Kinga (1998) *Gelong Sumdar Tashi – Songs of Sorrow*, Thimphu: Sonam Kinga

other areas of learning." Textbooks and teacher's manuals have been developed to "help teachers in schools to impart values education explicitly to our youth," with a clear aim "to realize our roles in imparting true values, become role models, steer the young minds and show them the true Bhutanese way of life," and "leave no room for misguided and misinformed individuals in our country."[20]

For this paper, I have analyzed *Teaching Learning To Be – Suggested Values Education Lessons*, *Section I*, a teaching manual for imparting values education to students from classes PP to VIII. The manual has identified 25 values such as "love for the family, friends and animals; obedience, gratitude, friendliness, fairness, punctuality, responsibility, honesty, and loyalty, personal hygiene (cleanliness), obedience to parents and teachers, friendliness, thankfulness to parents and teachers, love for plants, respect for teachers and friends, love for friends, care of properties, respect for friends and family, helpfulness, generosity, respect and gratitude."

Table 1: Folktales and stories prescribed for values education lessons[21]

Values/qualities	Class	Story	Source
Love of the family	Pre-primary	Untitled story (squirrel as a pet)	West
Love of animals	1	Androcles and the Lion	West
Love for friends and family	4	She Truly Loves	India
Obedience	4	The Naughty Turtle	India
Thankfulness	5	The Rats and The Elephant	India
Friendliness	6	The Three Dolls Watch Your Company	West West
Fairness	6	The Dignity of Labour (Story of George Washington)	West
Punctuality	2,5	The Monkey and the Fox Why the Hippopotamus has Tiny Tail	West West
Responsibility	3	The Responsible Son	India
Honesty	1,7,8	Dishonest Shopkeeper The Truthful Cow Honesty is the Best Policy	West India West
Responsibility	6, 7	The Ant and the Cricket A Treasure Box The Tale of a Rich Young Man	West West West
Loyalty	7	The Loyal Mongoose	West

The manual is deficient on following grounds:[22]

[20] Curriculum and Professional Support Division (CAPSD) (2001) Teaching Learning to Be – Suggested Values Education Lessons, Section I (Classes PP-VIII), Thimphu: Ministry of Education

[21] ibid

- Story-telling methodology has been identified to impart 12 values. Out of 20 stories chosen to "show them the true Bhutanese way of life" and teach Bhutanese values and morals, not one Bhutanese folktale was selected.
- All folktales or stories are either from the West or India, as if Bhutan had no such stories. Besides Dasho Sherab Thaye's Bhutanese folktales in Dzongkha compiled in the early 1980s, there are a few compilations in English, beginning with Kunzang Choden's *Folktales of Bhutan* (1994). The above manual was published only in 2001.
- Fables or stories with animal characters like lion, turtle, and hippopotamus, etc., have been chosen; the reality is that these animals are never seen by Bhutanese at an early age. Animals like cat, dog, cow, horse, donkey, etc., would have been more effective, and there are many Bhutanese tales with these animal characters.
- The first story is about a pet squirrel. The squirrel is a wild animal, and it is very unnatural for children to consider a squirrel as a pet in Bhutanese houses.
- Human characters like Mother Teresa (to teach the love for the poor) and George Washington, the first US president (to teach the dignity of labor) should have been replaced by Bhutanese figures whom students know or are familiar with.
- While all the stories, irrespective of their origins, convey universal values, they cannot fully inculcate Bhutanese values.
- The stories have been designated to impart a particular value or theme, while the reality is that most folktales weave together many themes and values. Narrating or teaching Dzongkha folktales, which integrates rural values, has more value than theme-specific stories.
- The medium of instruction is English, ignoring the fact that the national language, Dzongkha, and the nineteen or so regional dialects are values in themselves.
- Imparting values like "love" for the family, friends, plants and animals is limited in the sense that 'love' – a Christian concept (popularized by Christmas and birthday celebrations) – is different from Bhutanese concept of *jamba* and *tsewa* (compassion and affection).

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[22] I am grateful to Sonam Kinga for his comments, especially on values and general suggestions.

- Science will be more effective than folktales in promoting cleanliness or hygiene.
- Students should be made to narrate home-learnt folktales in classes, and they should be lectured less. Instead of being taught, students should rather be encouraged to enjoy focusing on value inculcation through entertainment, not on examination.
- There is no space for children's imagination if a teacher says, "Today, our story is about the importance of respect for family," and begins to narrate a theme-specific story. [Bhutanese] grandfathers never spell out themes or values; they let values sink into their grandchildren's minds as they grow. Values are understood or learnt as they grow, unlike theme-specific stories which are studied and tested in examination.
- Lastly, there is no room to impart basic Buddhist values. Thomey Sangpo's *Gyalsay Laglen* (37 Practices of Bodhisattva) is taught in classes 9 and 10, but by then it is too late.

I would like to conclude with the hope – and that is what it is, a hope – that folk wisdom will find a *small* space in our school and life's curriculum, even as we enter cyberspace.

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Our View of Development

Ela Ramesh Bhatt[*]

I want to thank for the opportunity of being amongst you and to share our views on development. I cannot claim to have read or studied Mahatma Gandhi's philosophy, nor can I claim to be his follower. It is the atmosphere in which I grew up that made me.

I grew up between those years when India was fighting for freedom and becoming an independent nation. As young people, we were to rebuild the nation, to reconstruct our lives so that every Indian would be able to enjoy the freedom. As young people, we had no confusion in our minds. Gandhiji had shown us the way. His life itself was a clear message to us.

He had thought and practised every small details of building a nation and its people. He would think of individual cleanliness on the same level as political freedom. To him, clean lavatories or village ponds were as vital as spiritual salvation. He has been a constant source of guidance for me in my life and my work.

He realized that the people of India had lost their political freedom and economic freedom as well. He saw the country's economy from the perspective of the masses.

His economic thought has four fundamental principles. First is simplicity. The idea of adding complexities is not progress. The human mind is a restless bird; the more it gets, the more it wants. His second principle is non-violence - that violence in any form cannot lead to lasting peace or reconstruction. True democracy and real growth are conceivable only in a non-violent society. Violence is inconsistent with freedom. His third principle is the dignity of labour, the sanctity of labour. For him, labour was the law of nature, and its violation was the central cause of the present economic muddle. The fourth principle is human values - nothing that compromises a person's humanity is acceptable. On these four cornerstones of simplicity, non-violence, sanctity of labour and human values –Gandhiji built his ideal economy.

Because the human being is central in his overall thinking on Development, Gandhiji's view of Development was holistic and integrated. This means development of the individual in all aspects:

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[*] An Indian lawyer and the founder of India's Self-Employed Women's Association (SEWA). Dr. Bhatt is a respected leader of the international labour, cooperative, women, and micro-finance movements who has won several national and international awards, including Padma Bhushan.

physical, mental, spiritual, economic; development of the3 family unit; development of the community: local, global, water, land, culture, religion; development of the environment, which is harmony with nature, respect for plant life, animal life, keeping the balance – all these aspects are totally inter-related and interdependent.

How do we correlate each of our activities with the impact on our self, our society and this universe? The three are not separate. That is the relevance of happiness.

Gandhiji made work central to the man's life; 'karma' as Bhagadvad Gita says, means "If one eats fruits of the earth rendering no gift of toil to the kindly Heaven, that thief steals from this world." In other words, one who eats without working is a thief. It is work, productive work, that leads to Development and Growth. As we have seen while working with poor women, work gives meaning to their lives. Work forges an individual's identity. Work provides livelihoods that produce goods and services, and thus it builds a society.

But poverty breaks down the balance. We see exploitation at every stage: of the individual, of the community and of the environment.

In poverty, we assume discrimination at every stage, based either on class, caste, colour, religion, gender, or language. Divide and rule is he underlying motivation. We can assume intimidation at every stage—intimidation and fear in the community, in the family, in work and in the environment. We assume hierarchical institutions: one thriving at the cost of the other, one dominating over others in society as well as in individual relations.

Consequently, we experience vulnerability of all kinds: economic, social, psychological, spiritual. People lose their faith, or they cling to misguided faith.

Gandhi's message of was a message of non-violence. It was a message against poverty. Poverty is violence against individuals, society and nature. Poverty and the loss of freedom are not separate.

Gandhiji had seen in women a potential breakthrough. He had faith in women's leadership in bringing transformation to society.

At SEWA (Self Employed Women's Association) we work with women because they are the most vulnerable today.

We meet on the basis of work and create networks. We build unions to meet our work needs, to stop economic exploitation by traders, contractors, our governments, the global community and the 'system' and 'structures'. In SEWA, we have come together to build a Bank to meet our financial needs – to save, to borrow, to loan, to build assets, to tap resources, to improve the material quality of life. We have come together to build cooperatives to become integrated into the production

process of our country. We build a social security network for our maternity needs, health, and life insurance. We have been trying to forge bridges to local and global markets through a trade facilitation network of women farmers and crafts across the world. We create schools to build our capacities to manage our affairs and have an impact on the world outside.

For the people, Development is not a project. It is not institutions. It is not even economics. It is about restoring balance. It is about the well-being of the poor woman, her family, her community, and her work environment and about this world we all live in. This we have learnt from Gandhiji.

Gandhi has not failed us; it is we who have failed him. Can truth or non-violence ever fail or be irrelevant?!

The spirit of Gandhi is in his understanding of indigenous institutions that can be small, democratic, and dynamic. He never glorified poverty. But, unfortunately, the Indian leaders who came to power after independence hardly understood that.

It is certainly now the time to rethink Development, a process in which I make you happy and I become happy!

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What is Sustainable and What is Not?

Holly Dressel[*]

This is a very special conference. Instead of being lectured at about what's wrong, on the assumption that you don't already know, we are all here to try to figure out, together, what to do about a dysfunctional economic system that has now spread across the entire planet, that provides immediate short-term goods and benefits, but is inexorably destroying the systems that support all life, including our own.

You wouldn't be here if you all hadn't been grappling with these problems and with one particular question: *How* can we live sustainably?

That question demands that we know what sustainability *is*, and what it isn't.

I think we can agree that sustainability means being able to support ourselves and provide for our human needs without destroying the systems that will produce more timber, food and water, for example, for us and our children in the future. That means we have to be able to look at a management method, say of growing crops, and determine whether people can keep growing enough food in that particular way to feed themselves almost indefinitely, without destroying the systems—water, air, soil and biodiversity—on which the whole enterprise depends. We have to be able to look at new fuel sources or construction methods and determine whether they tip the scales in favour of the planet's regeneration, or whether they strip it too fast or whether they, too, leave too many wastes and poisons in their wake. We have never had to do this exercise so urgently before. And it's easy to go astray.

For example, how many people know whether ethanol, or even biodiesel, for example, really are much better fuel sources than oil or natural gas? It's debatable. Is it really better for the earth to have intensively grown, bioengineered crops, so that more land can remain in wilderness condition, like the biotech companies tell us? These are difficult questions, and human beings can so easily go awry. Some of you may be old enough to remember how many people of good will really thought that nuclear power would provide a clean source of energy, freeing us from coal and oil. We all thought CFCs were harmless—who could ever imagine that a spray perfume or deodorant could punch holes in the very atmosphere and alter life on this planet? So—given all that—how are we to tell if promising new technologies and methodologies are

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[*] A Canadian journalist and author; co-author of Good News For A Change: What is Sustainable and What is Not.

going to help the planet, or only delay the inevitable (which frankly is almost as bad) or even push us over the brink faster?

I took this problem very seriously when David Suzuki and I began to write our last book, *Good News for a Change*. I was terrified there would be no way to recognize the right way from the wrong. The very good news is there are actually *six simple criteria* you can use to help you figure out whether or not what you want to do is going to work over the long term. I didn't discover them, mind you—people working absolutely from the grassroots, and I mean poor farmers, ranchers, villagers, housewives, construction workers, people like that—they discovered them. I just recognized what they had in common, and then realized other people, like Alan Savory, or Bill McDonough, an environmental architect, had also taped out similar criteria. So I knew I had gotten it right.

First of all, does your method of gardening, building, dealing with wastes, or building up your local community try to mirror natural systems, mimic nature's methods of production? That means that they should produce no wastes that are not reusable, either by nature itself or by being reused in industry. It means they should provide double dividends—benefits that increase and multiply, as nature does, instead of present and future risks that can only be rationalized as "worth it" for some temporary benefit. Moreover, across the planet, natural systems change every few miles, or less. They support different animals and plants, exhibit different soil types and micro-climates. They are profoundly varied. We found that sustainable groups are nearly always locally-based or working in close contact with local people. That immediately should enable us to judge how well our new globalized economy is going to work out.

If you are going to work locally, with local people and groups, the first thing you will find out is you are going to have to listen to each other, which means working in a basically egalitarian and democratic manner. You will hear about it from your local workers if you don't share workloads and benefits pretty equally, believe me. I can give examples from the terrace farms of Bali to one of North America's largest private timber companies, that the local and democratic approach will stabilize your management situation not just for years, but for centuries. This also means that benefits will not only be generated by local workers for use elsewhere; they have to be received by these same long-term, local users, not short-term outside interests. Again, what I am suggesting in both cases, waste re-use and locality, is the *opposite* of the industrial business pattern being forced on most communities today, but it is resisted often enough I can give you example after example.

Here is my favourite part of sustainability criteria, and when I first ran into it, I thought it was rather superficial and marginal, to say nothing of a little wet. I was wrong—it's the heart and soul of the entire subject. And it is: whatever you are doing, make yourself the most positive and idyllic vision statement you can. Think about *everything* you really want: clean rivers to swim in, good schools and hospitals for everybody, standing forests, good jobs near your community—and make that your goal. As someone sitting up on this dais, Elizabeth May, has taught me, if even you can't bring yourself to ask for what you want, that pretty much assures you you will never get it. The groups I met ranged from completely landless, uneducated fishermen, who wanted control of their entire coastline in southern India; a small town of regular middle-class folks in Germany who wanted to get completely off the fossil fuel power grid; a few Oregon farmers who didn't want to lose their land, and who wanted to make a long-term living on it by sharing it with mountain lions and wolves. They all made crazily optimistic vision statements. They are all, every one of them, living their dreams, right now. The details are in the book, but there are 1.5 million acres of "predator-friendly" ranchland in Oregon and Washington today; the village of Schoenau in the Black Forest is not only off the grid, but is the major manager of solar and windpower sources for the rest of Germany; the fisherpeople of southern India have control of their fishery. I could go on. So dream big.

At the same time, to take probably the most key statement from Alan Savory's wonderful book, *Holistic Management*; remain flexible and humble before the complexities of this world. Under his careful criteria for how to foster good pastureland and stock management, for example, are the words: "Assume Wrong." In other words, if something goes wrong with your carefully planned system of gardening, house building or water management, don't just step up your efforts and repeat what you have been doing. This is typical of most modern management methods. Experts tell farmers to apply petrochemical fertilizers to get more crops; when they get hardpan, that is, dead soil, they are advised to apply more and to use bigger machines to break up the hardpan. When they get pests from the unhealthy conditions, they are told to apply more petrochemicals. When the water becomes too polluted to use, new experts come in to tell them to install a water treatment plant. And so forth. Savory's methods would have us step back at the very first sign of problems and reevaluate, not just the amount of fertilizer we are using, but the *idea of using fertilizer in the first place*. When I say flexible and humble, I mean you have to be flexible enough to drop a cherished management idea if it isn't working out, and humble enough to throw

out your own ideas of expertise if the onslaught of bugs or drought or unhappy employees makes it clear that you have not quite understood everything you are up against. Remember, humans beings may be able to split the atom and clone sheep; both these technically dazzling accomplishments turned out to be dangerous and unusable, by the way, because they don't take into account all the intricacies of our interwoven natural systems. So: big dreams for all. Humility for your own ideas.

We discovered that most of the people who have developed the new methodologies you will hopefully learn about in the next few days don't know about each other—that's one reason we are having this conference. And although many in the agricultural field were aware of Savory's work, most have evolved these methods on their own. These are ideas that are welling up spontaneously all over the world, the way profound societal change always does. So look at where your management ideas are coming from. They should usually come from the bottom up, not the top down. Again, the local, natural, and humble side of sustainability comes into play. Most of these ideas came from grassroots people on the edge of economic stability: in other words, *not* from governments, universities, institutions or even environmental NGOs. Not from paid "experts," but from local people who are very motivated to figure out new ways to manage their economies and lives, purely so they can survive and remain where they are, with their families and traditions. In the same vein, once an idea gets beyond a few individuals, they almost always set up working groups that work by consensus; not by majority vote or even by having empowered elected representatives, you understand, but by real consensus, hammering through the issues until all the parties who live in the town agree, because they have to not only live with these decisions, but with each other. These decisions can take, obviously, a long time to make. It took the small city of Frieburg, in Germany, 10 years to achieve consensus on having a car-free core. But once such decisions are made, they are remarkably stable and sustainable. And by the way: what's the hurry? Time usually only improves our ability to assess a new technology or idea.

Finally, when you are looking at the pure economics of how you want to live, learn to compare short-term gains with long-term effects. This method will make both the dangers and advantages of each approach abundantly clear. Say a small town is being approached to develop a woodland for an industry that will provide, typically, a few local jobs over, at most, maybe twenty or thirty years before the timber is gone or the mill is outdated. If the town has a *vision* of its future as a clean and happy community; if it works with *humility* and by *consensus*; and if it looks at the short-term gains of the few jobs against its desire to

keep some natural systems available to its citizens forever, the decision becomes a lot easier to make. If officials are elected in terms of their ability to administer an already standing long-term vision, as they are in many German towns, as opposed to fulfilling a two or four-year short-term spurt of economic growth, as they generally are here in Canada, the entire role of a politician changes.

Those are the criteria. You can get them through the book, and we can post this little speech on the conference website. Don't forget about them, and let me know when they don't work out, so I can be humble and flexible too!

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Economic Possibilities for Our Grand Children: Progress and Prospects after 75 Years

John Stutz

Introduction

In 1930, as the Great Depression was beginning, John Maynard Keynes wrote an essay, *Economic Possibilities for our Grandchildren*.[1] In it he looked 100 years ahead, to a future in which learning to live well had replaced the struggle for subsistence as the basic problem facing humanity. The future discussed by Keynes is now only 25 years away. Beginning with current data on income, the paper shows that progress beyond the struggle for subsistence has been limited to the Developed Countries and will likely remain so through 2030. Among the Developed Countries, overwork rather than living well is increasing. A fundamental change in values is suggested as a response to this situation. Ways in which such a change might feed back, to enhance the prospects for the Developing Countries, are discussed. The paper concludes with a brief statement of directions for further research.

The Economic Problem

Keynes began his essay by noting that, historically, humanity has faced what he called the *economic problem* that is the struggle for subsistence. He observed that since the industrial revolution, the average standard of life in the U.S. and Europe had increased four-fold. He predicted that there would be a four- to eight-fold increase over the next 100 years (i.e., through 2030). Assuming an eight-fold increase, Keynes expected the economic problem to be solved. He hoped that this would result in a shift, from the pursuit of wealth to "living well." After 75 years it is reasonable to ask if the changes anticipated by Keynes are in fact occurring.

Discussions of economic growth routinely use real Gross Domestic Product (GDP) per capita, developed based on purchasing power parity, as a measure of "income" reflective of the average level of material well-being in a country[2] Keynes' four- to eight-fold increases correspond to

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[1] Keynes, John Maynard (1963) *Essays in Persuasion,* New York: W.W. Norton & Co.

[2] The use of GDP per capita as well as some variants on it are discussed in Myers, Norman and Jennifer Kent, 2004, *The New Consumers: The Influence of Affluence on the Environment,* Washington, Covelo, London: Island Press

growth in income of 1.4 and 2.1 percent per year over 100 years. Table 1 places these figures in a long-term perspective, showing that Keynes' assumptions were quite reasonable for the Developed Countries; that is, Western Europe, its "offshoots" and Japan. As Keynes expected, there has been substantial growth in income. Looking ahead to 2030, growth at the historic rate will raise the average income in the Developed Countries to $36,476. This is the 32-fold increase Keynes hoped for (four-fold through 1930 and another eight-fold over the next 100 years).

Table 1 –GDP Per Capita Before and After the Industrial Revolution[3]

	Level ($1990) 1000 1820 1998			Growth (% Per Year) 1000-1820 1820-1998		1998 Population (Millions)
Developed Countries	405	1,130	21,470	.13	1.67	838
Developing Countries	440	573	3,102	.03	.95	5,009
Ratio (1 as a percent of 2)	92	197	692	433	175	17

For the Developed Countries the question is whether they have made sufficient gains so that the economic problem can be considered to be solved. One way to approach this question is to examine data showing how individuals at difference income levels spend their money. This type of analysis indicates that, by 1988, the lowest paid working class group in the U.S. (labourers) were devoting only 67 percent of their disposable income to "basics," that is the purchases required to function socially and economically. The two higher paid working class groups—wage earners and salaried employees—devoted substantially less to basics.[4] The three groups just mentioned—labourers, wage earners and salaried employees—account for the bulk of those in the 20th to 80th percentiles of income in the U.S. These results suggest that, by 1988, the economic problem was "solved" for most workers in the U.S. What about the rest of the Developed Countries? Income in the U.S. in 1988 was at about the 1998 average for the Developed Countries. Further, those near the bottom of the income distribution generally fare better in the other Developed

[3] The data in Table 1 are cited in North, Douglass C., 2005, *Understanding the Process of Economic Change,* Princeton and Oxford: Princeton University Press. The original source of the data is Maddison, Angus, 2001, *The World Economy: A Millennial Perspective,* Organisation for Economic Co-operation and Development.
[4] Brown, Clair, 1994, *American Standards of Living*, Oxford, UK and Cambridge, MA: Blackwell Publishers.

Countries than in the U.S.[5] Thus, by now, all but the poorest residents of the Developed Countries are able to purchase substantially more than "the basics." This suggests that, in the Developed Countries the economic problem has largely been solved.

A rather different approach to the measurement of progress in solving the economic problem makes use of the relationship between income and Subjective Well-Being (SWB), a measurement of the average sense of individual well-being in a country developed on the basis of responses to standard survey questions.[6] SWB obeys the Law of Diminishing Returns: as the level of income in a country increases, the impact on SWB declines. Leading researchers describe the situation as follows:

> Above $13,000 in 1995 purchasing power parity, there is no significant linkage between wealth and subjective well-being. The transition from a subsistence economy to moderate economic security has a large impact on happiness and life satisfaction, but above the level of Portugal or Spain, economic growth no longer makes a difference.

This general line of analysis—considering average national SWB as a function of income rather than the other way around, and then using that function to choose a transition point—is standard practice among those who study SWB. The particular transition point selected is, however, a matter of judgment.[7] Visual examination of the data in question suggests that $15,000 is a reasonably conservative choice.

The Developed Countries have average incomes that range from $15,000 to over $30,000 (in $1995). There is no evidence of an increase in SWB as the income more than doubles. The same absence of impact is evident if one examines the evolution of income and SWB for an

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[5] See, for example, the paper by Smeeding and Rainwater in Wolff, Edward N., ed., 2004, *What Has Happened to the Quality of Life in the Advanced Industrialized Nations?* Cornwall, Great Britain: Cornwall Books, Ltd.

[6] A very useful introduction to SWB is provided by the introduction to Diener, Ed and Eunkook M Suh, eds., 2000, *Culture and Objective Well-being*, Cambridge, MA and London, England: The MIT Press. Kahneman, Daniel, Ed Diener and Norbert Schwarz, eds., 1999. *Well-Being: The Foundations of Hedonic Psychology*, New York: Russell Sage Foundation provides a more extensive introduction.

[7] The reasonableness of considering SWB as a function of income is discussed in the article by Diener in the first volume cited in (6). The essay in that volume by Inglehart and Klingemann uses the $13,000 threshold. In Layard, Richard, 2005, *Happiness: Lessons from a New Science*. New York: The Penguin Press, using the data developed by Inglehart and Klingemann, Layard sets the threshold at $20,000

individual country. In the U.S. for example, income has increased substantially since the 1950s, with no accompanying increase in SWB. Similar results obtain for other Developed Countries. If the economic problem were still significant for the Developed Countries, one would expect to see some increase in SWB with income, across countries or within each country over time.[8] The absence of such increases suggests that Keynes' economic problem has been solved in the Developing Countries.

The last row in Table 1 highlights a key feature of historic growth: significant differences in growth rates leading to dramatic differences in incomes between Developed and Developing Countries. A recent study describes the situation as follows:

Today income per capita differs across countries much more than it used to. Such differences were small up until the nineteenth century. They started to widen with the Industrial Revolution, and they expanded most during the last hundred years. Moreover, although differences in income per capita among rich countries have declined in the post-World War II period, the disparity between rich and poor countries has widened. At the same time, the number of middle-income countries has dwindled. We now have two polarized economic clubs: one rich, the other poor."[9]

Convergence not divergence is both the objective of many global policy initiatives and the assumed outcome of them.[10] We will return to the issue of convergence later.

The Permanent Problem

After discussing the prospects for solving the economic problem (in the Developed Countries), Keynes went on to frame what he described as the real, permanent problem of "man" (i.e., humankind):

> How to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably and well.

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[8] The data upon which this argument rests are all provided in the volume by Layard cited in (7), and in the volume edited by Diener and Suh cited in (6).

[9] Helpman, Elhanan (2004) *The Mystery of Economic Growth, Cambridge*, MA and London, England: The Belknap Press of Harvard University Press.

[10] See, for example, the discussion of the Market Forces and Policy Reform scenarios for the future presented in Global Environment Outlook Scenario Framework: Background Paper for UNEP's Third Environmental Outlook, 2004, Boston, MA: Stockholm Environment Institute-Boston Center.

Keynes anticipated difficulty in learning to live well. In particular, he expected that it would be hard to move from the pursuit of material affluence to a style of life that emphasized "leisure." Despite the materialistic behaviour among the rich in his own day, Keynes expressed optimism about the future:

> I feel sure that with a little more experience we shall use the new-found bounty of nature quite differently from the way in which the rich use it to-day, and will map out for ourselves a plan of life quite otherwise than theirs.

In considering whether Keynes' optimism has been justified, it is useful to review experience to date in the rich countries, particularly the U.S. since U.S. norms and lifestyles have become more and more typical of the world as a whole.[11]

The fact that, in the U.S., hours of work are long is well known.[12] Some knowledge of the details of the U.S. experience are useful when considering whether "a little more experience" leads to progress in the utilization of opportunities for leisure as Keynes hoped. In the U.S. between 1990 and 2000, the hours worked by each adult in a two-parent family increased. For the richest 20 percent, the hours worked were the longest of any group, in 1990 and again in 2000.[13] Today, "time stress" is significant among the rich, in the U.S. and throughout the world. Analysis suggests that insufficient time to enjoy their wealth" is a significant cause of time stress for the rich.[14](14)

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[11] DeGrazia, Victoria (2005) *Irresistible Empire: America's Advance through 20th-Century Europe*, Cambridge, MA and London, England: The Belknap Press of Harvard University Press.

[12] Schor, Juliet B. (1992) *The Overworked American: The Unexpected Decline of Leisure,* USA: Basic Books.

[13] Average weekly hours worked by each adult in a two-parent family

	- - - - - - - - - - - - Income Quartile - - - - - - - - - - - -					
Year	First	Second	Third	Fourth	Top	Average
1979	24	30	33	38	43	33
2000	27	36	39	41	42	37

Based on information provided in Mishel, Lawrence et al., 2003, *The State of Working America 2002/2003,* Ithaca, NY: Cornell University Press. Data was provided in terms of annual hours worked by two married individuals; assumed two weeks vacation and thus divided annual hours by 50 and then by two to determine individual weekly hours.

[14] Hamermesh, Daniel S. and Jungmin Lee (2003) *Stressed Out on Four Continents: Time Crunch or Yuppie Kvetch?*, Cambridge, MA: National Bureau of Economic Research.

Why don't the rich simply work less, making time to enjoy life? There are a number of factors that explain this situation: In a mobile society such as ours there is a need to construct and then reconstruct one's social identity. Consumption—choice of home, car, clothes, etc.—plays an important role in this process. Positional consumption, that is consumption not to meet an absolute need—hunger, thirst, etc.—but rather to create superiority, leads to insatiability as Keynes noted. Unfortunately, positional consumption, for example having a "good" (i.e., larger and more luxurious than average) home, car, etc., has become a central feature of the process of identity creation. Once positional consumption is underway, adaptation, a basic element of human psychology, helps push the process along. Adaptation, not just to a high level of income but also to constant increases, creates a "treadmill" that is hard to step off, even when one has become "rich"[15] There have been many attempts to modify these mechanisms. Thus far, they have proved largely to be in vain. A study of the U.S.[16]during the period from 1900 to 2000 describes the result:

> Consumerism, the belief that goods give meaning to individuals and their roles in society, was victorious even though it had no formal philosophy, no parties, and no obvious leaders. Consumerism was the "ism" that won—despite repeated attacks on it as a threat to folk and high culture, to "true" community and individuality, and to the environment.

Increasingly, consumerism is becoming typical of all Developed Countries, as well as the richest portion of the population in the Developing Countries.[17]

Looking ahead, how might things change so that we will recognize Keynes' permanent problem and address it as he hoped we would? A good starting point would be a fundamental shift in values, triggered perhaps by a sense of our losses associated with overwork. The worldwide Slow Movement provides an example of such a shift. To appreciate how slowness can trigger a fundamental shift in values,

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[15] For a description and discussion of these mechanisms see Jackson, Tim and Laurie Michaelis (2003) *Policies for Sustainable Consumption,* a report to the Sustainable Development Commission; and Chapter 3 of Rayner, Steve and Elizabeth L. Malone, eds., 1998, *Human Choice & Climate Change: Volume I – the Societal Framework,* Columbus, OH: Battelle Press

[16] Cross, Gary (2000) *An All-Consuming Century: Why Consumerism Won in Modern America,* New York: Columbia University Press

[17] On the spread of U.S. influence see the volume cited in (11). On consumers outside the rich countries see the volume cited in (2).

consider the reaction of Carl Honoré, a harried international correspondent and parent who, while rushing to catch a plane, noticed an advertisement for a book entitled *The One-Minute Bedtime Story*:

> So, at first glance, the One-Minute Bedtime series sounds almost too good to be true. Rattle off six or seven "stories," and still finish inside ten minutes—what could be better? Then, as I begin to wonder how quickly Amazon can ship me the full set, redemption comes in the shape of a counter-question: Have I gone completely insane? As the departure lineup snakes towards the final ticket check, I put away the newspaper and begin to think. My whole life has turned into an exercise in a hurry, in packing more and more into every hour. I am Scrooge with a stopwatch, obsessed with saving every last scrap of time, a minute here, a few seconds there. And I am not alone. Everyone around me—colleagues, friends, family—is caught in the same vortex.[18]

The Slow Movement has drawn together individuals who have had similar experiences and insights, related initially to food preparation and consumption but now including many areas of human activity. It has spread beyond the individual level, to include slow towns and cities, thus making a transition from individual values to public policy.

The Slow Movement and others like it, such as the Not So Big House (NSBH) Movement,[19] are interesting because they take into account the mechanisms that drive consumerism and provide outlets for them. For example, consider slow food. One can, with time, create an identity as a skilled cook, satisfy "positional needs" by demonstrating that skill to others, and address adaptation through lifelong improvement. Similar considerations apply to other activities such as music, painting, gardening, etc. The Slow and NSBH Movements also foster a very different attitude toward material consumption, one which emphasizes quality over quantity. This is illustrated in a recent description of a "slow" approach to the acquisition of material goods:

Living artfully might require taking the time to buy things with soul for the home. Good linens, a special rug, or a simple teapot can be a source of enrichment not only in our own life, but also in the lives of our children and grandchildren. The soul basks in this extended sense of time. But we can't discover the soul in a thing without first taking time to

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[18] For an overview of the Slow Movement see Honoré, Carl, 2004, *In Praise of Slowness: How a Worldwide Movement Is Challenging the Cult of Speed*, San Francisco, CA: HarperCollins. The quote is from the preface to that volume.

[19] Susanka, Susan (2001) *The Not So Big House: A Blue Print for the Way We Really Live,* Newtown, CT: Taunton Press

observe it and be with it for a while. This kind of observation has a quality of intimacy about it; it's not just studying a consumer guide for factual and technical analysis. Surfaces, textures, and feel count as much as efficiency.[20]

The approach to acquisition described above is what one might see in operation at an arts and crafts exhibit, an antique show, or a farmer's market. The NSBH movement transfers this sensibility to our most significant consumer purchase—our home.

Were there an electorate with the values Keynes discussed, and strength and will to act on those values, it would not be hard to devise a wide range of policies that reflect those values. One such policy, under active consideration today, is a ban on advertising targeting young children.[21] Going further, based on recognition of the adverse psychological impacts of positional consumption and the strength of adaptation, one could justify a strongly progressive income tax as part of a societal effort to create a reasonable work-life balance. Indeed, an acknowledged policy expert has recently made this suggestion.[22] There is evidence that value-driven social policy can affect choices between overwork and leisure. Consider the current competing explanations for longer working hours in the U.S. compared to much of Western Europe focus on value-drive policy choices. One recent study claims that Europe's more aggressive tax policies explain most of the difference.[23] A response claims that a more plausible explanation is union action, leading to a shorter work week and wider availability of key holidays which, in turn, make leisure activities with family and friends a more attractive alternative.[24] Both of these explanations suggest that social/economic policy decisions can affect the attractiveness of leisure. Interestingly, the second explanation reflects a conscious attempt at work sharing, a

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[20] Moore, Thomas (1992) *Care of the Soul: A Guide for Cultivating Depth and Sacredness in Everyday Life*, HarperCollins

[21] See, for example, the discussion in Part IV, particularly Chapter 12 of Kasser, Tim and Allen D. Kanner, eds., (2004) *Psychology and Consumer Culture: The Struggle for a Good Life in a Materialistic World*, Washington, DC: American Psychological Association.

[22] See the volume cited in (21) for a discussion of the adverse psychological impacts. Such a tax is discussed in the volume cited in (7).

[23] Prescott, Edward C. (2004) *Why Do Americans Work So Much More Than Europeans?* Working Paper 10316, Cambridge, MA: National Bureau of Economic Research.

[24] Alesina, Alberto, Edward Glaeser and Bruce Sacerdote (2005) *Work and Leisure in the U.S. and Europe: Why So Different?* Working Paper 11278, Cambridge, MA: National Bureau of Economic Research.

mechanism that Keynes hoped would be part of the solution to the Permanent Problem.

While devising good policies is always a challenge, it is not the major hurdle here. The major hurdle is finding the points of entry and leverage from which to trigger a basic value shift. As Keynes saw, and illustrated so wonderfully in his essay, it is this shift that lies at the heart of the permanent problem. Addressing value shift fully is beyond the scope of this short paper. However, two comments are in order. As the examples provided earlier in this section show, value shift can address the mechanisms that drive consumerism, turning them in directions that increase our well-being. And, as the discussion in the next section will show, efforts to enhance well-being in the Developed Countries could dovetail with efforts to assist the Developing Countries.

Convergence

Assume for a moment that Developed Countries chose, as Keynes hoped they would, to reject overwork and consumerism, and instead to cultivate the art of living well, particularly the satisfying use of "leisure." This could have a number of important effects which would enhance the ability of other countries to move ahead.

A focus on time rather than material affluence among the residents of the Developed Nations would create a different model for affluence which, like consumerism today, could spread throughout the world. Because time-affluence reduces the emphasis on the accumulation of material wealth as a factor in SWB, adoption of this model world wide would likely result in a greater SWB at any given level of national income. The effect would be, in effect to lower the income levels required to "solve" the economic problem, to reflect some reasonable notion of need.

How might the residents of the Developed Countries use leisure? In the Developed Countries there are many examples of volunteer mentoring programs such as the Big Brothers and Sisters, assistance to business start-ups provided by retired businesspeople, etc. These leisure activities contribute to the well-being of both participants[25] and recipients. It is reasonable to anticipate that, in a world with both greater leisure and greatly enhanced communications, such activities might be undertaken on a broad scale and with a wide geographic focus. This could contribute to convergence.

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[25] See, for example, the essay by Argyle in the volume edited by Kahneman et al. cited in (6).

The argument being offered above is a classic example of what is usually called the "double dividend" or the "win-win" effect. As Keynes did, we begin from the premise, supported by the available research on SWB and consumerism, that greater leisure is a better choice for the "rich." We then proceed to show that the use of that leisure could also enhance the prospects of the "poor." One could go on to argue that there are other beneficial linkages, such as those to emissions and the environment.[26]

What about the effects of increased leisure on the "rich"? Substantial economic declines are possible. Is a shift to greater leisure likely to have such adverse effects? In considering this, it is useful to take the following points into account:

At the time of the industrial revolution (i.e., 1840 to 1850), average working hours were substantially greater than they are today. The dramatic decline in hours has been accompanied by increased prosperity not decline.[27]

Policies, such as those typical of a European-style welfare state, foster limited achievement of Keynes' goals today. While many economists stress the adverse impact of such policies on GDP per capita, there is evidence that they have positive impacts as well.[28]

Greater leisure is likely to foster development of human capital through longer formal education and greater lifelong learning. It also provides the opportunity for greater group and civic participation, thus contributing to social capital. Enhanced human and social capital can, in turn, make it possible for rich countries to continue to prosper and grow while living well.[29]

Concluding Remarks

The discussion in this paper provides a starting point for the consideration of income and well-being in the context of our economic future. To continue this discussion one needs to place the points raised by Keynes' essay within a broader discussion of the possibilities facing

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[26] See, for example, Chapter 2 in Princen, Thomas, Michael Maniates, and Ken Conca, eds., (2002) *Confronting Consumption*, Cambridge, MA and London, England: The MIT Press.

[27] See the volume cited in (12).

[28] Atkinson, A.B. (2001) *The Economic Consequences of Rolling Back the Welfare State*, Cambridge, MA and London, England: The MIT Press.

[29] See, for example, the volume by North in (3) as well as the volume cited in (9).

humanity in the next 100 years.[30] One also needs to turn back here and ask whether SWB provides an adequate framework for a discussion on well-being or whether a broader notion of well-being is needed.[31] And, of course, one needs to address the question of value shift in a systematic and thorough fashion. These interesting and important issues are left for another day.

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[30] For a much broader discussion of possible futures see Raskin, Paul et al., 2002, *Great Transition: The Promise and Lure of the Times Ahead*, Boston, MA: Stockholm Environment Institute – Boston.

[31] For a discussion of multiple approaches to the definition of well-being see McCready, Stuart, ed., (2001) *The Discovery of Happiness*, Naperville, IL: Source Books, Inc.