

Towards an Economy of Well-being

by Mark Anielski

The promise of economic development is founded on the myth that more economic growth and material prosperity will lead to greater happiness and resolve all of our social and environmental ills.

Not so. Despite 50 years of a rise in Gross Domestic Product, increased consumer spending, and more material possessions, many important quality-of-life indicators have been in decline since the mid 1970s. Self-rated happiness in the US has actually declined slightly since its peak in the early 1950s while rates of depression, suicide, and anti-depressant drug use by our youth have increased. Nor has economic growth solved the chronic problems of poverty. Further, it has exacerbated environmental degradation, most notably with climate change.

Why is economic growth promoted when happiness and many of our social and natural wealth indicators are declining? Why isn't genuine happiness the main focus of our economic, social and environmental policies? Imagine if our president, governor or mayor

woke up each morning and contemplated how to govern according to the four classic Western virtues: courage, wisdom, moderation and justice.

The Declaration of Independence identifies the pursuit of happiness as one of our most inalienable rights. But what is happiness? According to the ancient Greeks, happiness (eudemonia) means "good spirit." Happiness relates to the conditions of one's soul.

Thomas Aquinas said that what is necessary for the good life is virtuous actions and sufficiency of material needs. In my recent book tour, I began to ask audiences what happened to virtuous actions and the wisdom of a life of moderation.



The Buddhist Kingdom of Bhutan is one of the few countries in the world that has adopted happiness as its fundamental goal of economic development. It is constructing a new national accounting system that will result in an alternative measure of progress: The Gross National Happiness index.

New research by psychologists and sociologists is revealing the real determinants of well-being and happiness. Money, material possessions and education contribute only 10 percent to a person's sense of well-being. Meanwhile, the joy we experience when we have enduring and healthy relationships with family, friends, work colleagues and neighbors contributes 40 percent to our well-being. This means creating strong, resilient communities where people feel a sense of belonging, know their neighbors and experience sharing, reciprocity and trust. The most important factor for our well-being (50 percent) is the happiness genes we are born with and the conditions of our childhood and teenage years.

If we are to develop flourishing communities and economies that are founded on maximizing well-being, we will need new tools for measuring well-being and, in governing our communities, we need a new balance sheet. To this end I have proposed a Genuine Wealth model where wealth is properly defined as "the conditions of well-being" and where living genuinely means to act in accordance with our values or a set of virtues. This will mean measuring the conditions of our human, social, natural and manufactured wealth with a focus on ensuring that capital contributes to the good life.

My hope increases as the citizens and many communities I engage with begin to realize their own genuine wealth and are passionate about building flourishing communities of well-being, beyond the mere accumulation of material things. It's time to establish a new set of virtues that will guide our lives and our decisions towards enduring happiness.

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Bhutan's Gross National Happiness

His Majesty Jigme Singye Wangchuck, the King of Bhutan, declared Gross National Happiness (GNH) the central measure of life in Bhutan. It is rooted in the notion that the purpose of life is inner happiness. Bhutan's King took responsibility to define development in terms of happiness, rather than in terms of an abstract economic measurement such as Gross National Product.

Bhutan's minister, Dasho Meghraj Gurung, put the Bhutanese philosophy succinctly: "Gross National Happiness connects Bhutan's development goals with the pursuit of happiness. This vision puts the individual's self-cultivation at the center of the nation's developmental goals, a priority for Bhutanese society as a whole as well as for the individual concerned."

Motivated to preserve its pristine nature and unique culture, Bhutan has limited its exposure to global trade, foreign capital investment, modern mass media and tourism. Bhutan believes that its indigenous culture is generally self-sufficient and has little to gain from conventional Western development. The country has for centuries followed a traditional model of development, which is based on improving the quality of life, while respecting natural and cultural constraints, rather than the quantity of material production and consumption. As such, it forms a reminder for conventional Western development planners that development can also be based on non-material values, such as cultural, social and environmental values.

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