

Realising a World of Sustainable Wellbeing and Happiness

In preparation for the 2nd April meeting, the Royal Government of Bhutan has consulted with the expert team of economists and scholars that was commissioned by the United Nations Division for Sustainable Development (UNDESA) to draft a long-term reference framework for a sustainable economy in preparation for Rio + 20.

These consultations produced the following statement of suggested meeting outcomes that has been circulated to participants to guide and inform the 2nd April deliberations. In the spirit of shared information and collaboration, this draft outcome statement is also reflected in the expert report to UNDESA titled A Sustainable and Desirable Economy-in-Society-in-Nature. The actual outcome of the 2nd April meeting will be determined by the deliberations that day.

Having gathered at the United Nations in New York on 2nd April, 2012, pursuant to UN General Assembly Resolution 65/309 on “Happiness: towards a holistic approach to development,” we are united in our belief in and pursuit of the following understanding, goals, and actions:

- 1) A fundamental human goal is the deep abiding happiness that comes from living life in full harmony with the natural world, and with our communities and fellow beings. This is consistent with the goals of the Earth Charter, the Millennium Development Goals (MDGs), and the emerging Sustainable Development Goals.
- 2) Achieving this vision requires that we recognise our interdependence with nature and with each other. It requires a healthy balance among thriving natural, human, social, cultural, and built assets.¹ We recognise that these assets depend on the natural world, and that natural capital is generally non-substitutable. Sustainability therefore requires that we live off the interest generated by natural capital without depleting the capital itself.
- 3) Balancing and investing in all those dimensions of our wealth requires that:
 - a) We live sustainably within the capacity of our finite planet to provide the resources needed for this and all future generations;
 - b) These resources are distributed fairly within this generation, between generations, and between humans and other species;
 - c) We use these resources as efficiently and effectively as possible;

- d) We respect and strengthen the cultural, community, health, knowledge, and spiritual foundations of our world to produce sustainable wellbeing, happiness, and harmony among all life forms.
- 4) We have never had greater global capacity, understanding, material abundance, and opportunities to achieve these objectives. This includes scientific knowledge, communications, technology, resources, productive potential, higher education, and ability to feed everyone on earth. We are also inspired by many successful examples of legislation, initiatives, and best practices at multiple scales on which we can build.
- 5) However, we are moving in the wrong direction at an increasing rate. For example, global greenhouse gas emissions continue to grow, humanity is using resources much faster than nature can regenerate, biodiversity is diminishing rapidly, global ecosystem services are in decline, inequality is growing, more and greater conflicts and disasters are in the making, and political will is lacking. The United Nations has acknowledged that progress towards the MDGs has stalled.
- 6) “Business as usual” threatens the survival of humans and other species, and is no longer an option. On a finite planet, excessive consumption by high-income groups leaves less for others, increases social exclusion, and undermines wellbeing and human happiness.
- 7) Many of these dangerous trends are a result of our current, unsustainable, growth-based economic paradigm, which rests on flawed measures of progress. These measures largely ignore the value of natural and social capital and the distribution of wealth and income. They misleadingly count natural capital depletion and many human and social costs as economic gain. The architects of Gross Domestic Product (GDP) themselves counselled that GDP should never be used as a measure of welfare, as it incorrectly is today. The European Union, OECD, the Sarkozy-Stiglitz Commission, Japan, and many others have therefore recognised the need to find viable alternatives.
- 8) Unless we change the current economic paradigm, a fundamental cause of the current crises, we will never realise the world we all want. This paradigm, institutionalised at Bretton Woods in 1944, was devised prior to an understanding of (1) finite global resource limits and (2) the emerging science of wellbeing and happiness.
- 9) **To move onto a sustainable and desirable path will require:**
- **A fundamental change of world view to one which recognises that we live on a finite planet;**
 - **Replacing the present goals of limitless growth and consumption with goals of material sufficiency, equitable distribution, and sustainable wellbeing and human happiness;**

- **A redesign of the world economy that preserves natural systems essential to life and wellbeing, and balances natural, social, human, and built assets;**
- **Reclaiming the broad definition and goals of economics as the science, management, and wellbeing of our global household.**

10) In order to realise the future we all want, we must build on prior work to develop the new economy in the following areas, including but not limited to:

A) Wellbeing and Happiness

- Promoting a dynamic culture through a common but differentiated approach that respects diverse cultural traditions;
- Nurturing the values, wisdom, and practice of our spiritual traditions, and harmony between them;
- Drawing from the wisdom of traditional and indigenous values and knowledge to develop appropriate policies;
- Supporting the arts and the creative commons;
- Promoting holistic life-long learning, including vital literacies required for wellbeing, such as ecological, civic, cultural, health, nutrition, science, financial, and other literacies;
- Empowering women, educating girls, and ensuring equality of opportunity;
- Improving mental and physical health by addressing the socio-economic, behavioural, spiritual, and environmental and inter-generational determinants of health, and recognising that health is a public responsibility;
- Supporting local economies and strong community networks;
- Strengthening social supports through family, community, workplace, and other relationships;
- Supporting the voluntary and civil society sector, and nurturing good governance;
- Promoting vibrant, critical, creative, and responsible media;
- Supporting research and dialogue on the causes and conditions of happiness.

B) Ecological sustainability

- Establishing a system for effective and equitable governance and management of the natural commons, including the atmosphere, oceans, fresh water systems, and biodiversity;
- Investing in sustainable infrastructure, such as renewable clean energy, energy efficiency, public transit, watershed protection measures, green public spaces, clean technology, and support for green businesses;
- Consuming essential non-renewables, such as fossil fuels, more slowly than we develop renewable substitutes;

- Creating mechanisms to reduce resource depletion, pollution, and greenhouse gas emissions to stay within basic planetary boundaries and resource limits, including taxes, cap and auction systems, and common asset trusts;
- Dismantling incentives towards excessive materialistic consumption, including educating for sustainability and banning advertising to children;
- Moving towards sustainable agriculture to feed the earth's population without destroying its biodiversity;
- Developing linked policies to balance population and consumption with the earth's natural, social and economic capacity.

C) Fair distribution

- Reducing systemic inequalities, both internationally and within nations, by improving the living standards of the poor, providing an adequate social safety net, limiting excess consumption and unearned income, and preventing private capture of the common wealth;
- Supporting, promoting, and providing incentives for systems of cooperative ownership and management of enterprises;
- Instituting fair trade systems that promote sustainable production methods and fair returns to producers;
- Transferring technology to enable lower-income nations to shift rapidly to sustainable production methods and suffer no loss of competitive advantage as they transition to a sustainable economy;
- Establishing a system for effective and equitable governance and management of the social commons, including cultural inheritance, financial systems, and information systems;
- Creating fulfilling employment for all, which contributes to the common good, achieves better work-life balance, and nurtures healthy workplace relations.

D) Efficient use of resources

- Using full-cost accounting measures to internalise externalities, value non-market assets and services, reform national accounting systems, and ensure that prices reflect actual social and environmental costs of production and distribution;
- Putting in place fiscal reforms that reward sustainable and wellbeing-enhancing actions and penalise unsustainable behaviours that diminish collective wellbeing, including ecological tax reforms with compensating mechanisms that avoid additional burdens on low-income groups;
- Implementing systems of cooperative investment in stewardship and payment for ecosystem services;

- Increasing financial and fiscal prudence by reducing speculation, ensuring equitable access to and responsible use of credit, and requiring that financial instruments and practices contribute to the public good;
- Ensuring access to and sharing of the information required to move to a sustainable economy.

Humanity must commit itself to strengthen and deepen the knowledge, political will, and action required to promote and sustain the wellbeing of all life, and to create a world in which every human being can pursue happiness.

ⁱ These assets, which overlap and interact in complex ways to produce all benefits, are generally defined as follows:

- a) **Natural capital:** The natural environment, its biodiversity, and the ecosystem goods and services they provide. These goods and services are essential to basic needs such as survival, climate regulation, habitat for other species, water supply, food, fibre, fuel, recreation, cultural amenities, and the raw materials required for all economic production.
- b) **Social and cultural capital:** The web of interpersonal connections, social networks, cultural heritage, traditional knowledge, trust, and the institutional arrangements, rules, norms and values that facilitate human interactions and cooperation between people. These contribute to social cohesion, strong, vibrant, and secure communities, and good governance, and help fulfil basic human needs such as participation, affection, and a sense of belonging.
- c) **Human capital:** Human beings and their attributes, including physical and mental health, knowledge, and other capacities that enable people to be productive members of society. This involves the balanced use of time to fulfil basic human needs such as fulfilling employment, spirituality, understanding, skills development, creativity, and freedom.
- d) **Built capital:** Buildings, machinery, transportation infrastructure, and all other human artefacts and services that fulfil basic human needs such as shelter, subsistence, mobility, and communications.