

Statement by Labour and Human Resource Minister, H.E. Lyonpo Dorji Wangdi of Bhutan
at “Wings for Rio+20” , Hague, The Netherlands.
Forum of Business and Spiritual Leaders, May 23, 2012.



His Excellency Ruud Lubbers
Rabbi Awraham Soetendorp
Distinguished delegates
Ladies and Gentlemen

It is a matter of great honour and joy for me to be here among the world's some of the foremost business and spiritual leaders.

I am here to reiterate my country's plea to the world for a collective courage and wisdom and an urgent and decisive action to find a new sustainability based economic paradigm to save ourselves and the planet.

“Mankind is like a meteor, blazing itself towards self-annihilation along with all other innocent life forms.”, described my prime minister of the mankind's current plight. Indeed the climate change is taking our planet to a disastrous end. All the world's environmental institutions, leaders and analysts fully agree with this dreaded news.

For example,

- i. **International Energy Agency** says that *“Rising fossil-fuel energy use will lead to irreversible and potentially catastrophic climate change.”* It further warns that without immediate action, as early as by 2017, all CO₂ emissions will be “locked in” by existing power plants, factories, buildings and other infrastructure.
- ii. The OECD has warned that *“without decisive action, the outlook for the planet is gloomy.”*
- iii. George Monbiot has predicted that *“When the world's ecological debt comes due, no World Bank or IMF bailout package will save the day.”*

But climate change is just a symptom. The real cause behind is our unsustainable lifestyle. In fact, some experts say that our lifestyle is so unsustainable that if our present consumption levels continue to go unchecked, by 2050, we will need **eight and half** (8.5) planets more to absorb our carbon dioxide emissions, **six planets** to meet steel requirements, **three and half** (3.5) planets to meet our timber demand and **three and a quarter** (3.4) planets to sustain cement supply.

Now, why is our lifestyle unsustainable? Because, it is based on a fundamentally flawed philosophy of GDP-based economic system adopted by Bretton Woods institutions some 60 years ago.

What does GDP do? GDP focuses on limitless production and consumption. The more we produce and consume, the more the GDP grows. The more trees we cut, the more fossil fuel we burn and the more greenhouse gases we emit, the more the GDP grows. Basically,

so long the money is transacted or spent, even crime, pollution, war and diseases are counted as economic gains and accounted in GDP. And the GDP growth is considered synonymous with prosperity and wellbeing.

The world has now recognised and accepted these flaws.

Commenting on the world's economic crisis, Thomas Friedman said:

"What if the crisis of 2008 represents something much more fundamental than a deep recession? What if it's telling us that the whole growth model we created over the last 50 years is simply unsustainable economically and ecologically and that 2008 was when we hit the wall—when Mother Nature and the market both said "No more."

Alan Greenspan, former head of the U.S. Federal Reserve, the chief banker of all bankers and economic guru of gurus, had also confessed to the same.

But we are all ourselves to be blamed because Simon Kuznets, the father of GDP concept himself categorically warned that the welfare of a nation should not be inferred from a measure of national income. The gross domestic product indicator was by nature not designed to and should not be used as an indicator of happiness and well-being. But used it to do so.

*In June 1992 at Rio de Janeiro, the world adopted the landmark Framework Convention on Climate Change, with the objective of "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system."

Today, 20 years later, we should be celebrating our progress towards attaining these noble goals. But sadly, it is a time for reflections on our failures. Despite Rio, despite Kyoto, despite Copenhagen, CO₂ emissions continue to rise higher and higher. In the 1990s, it rose on average by 1.1% per year. Since 2000, it increased by more than 3% per year and last year, it rose by 5.3%.

Aggravating the situation further, ecological footprint assessments show that humanity is now using up natural resources at 50% faster rate than the nature can regenerate.

*Genuinely concerned of the dire consequences of all these, on the very survival of the mankind and the whole planet, Bhutan moved a resolution at the 65th Session of the UN General Assembly proposing a new economic paradigm. Accordingly, the resolution titled ***Happiness: Towards a holistic approach to development***, co-sponsored by 68 countries, was adopted by consensus by all the 193-member states without a single dissenting vote.

The Resolution states that happiness is a fundamental human goal and universal aspiration; that GDP by its nature does not reflect that goal; that unsustainable patterns of production and consumption impede sustainable development; and that a more inclusive, equitable

and balanced approach is needed to promote sustainability, eradicate poverty, and enhance wellbeing and happiness.

As mandated by UN General Assembly, Bhutan hosted a High Level Meeting on the theme **“Happiness and Well Being: Defining a New Economic Paradigm”** on 2nd April this year in New York.

The meeting was attended by about 700 participants consisting of political leaders and representatives of governments, international organizations, NGOs, media, business, entrepreneurs, leading economists, scholars, scientists, and spiritual leaders from the world’s major faiths.

The new sustainability-based economic paradigm is envisioned to ensure a fully sustainable balance among natural, social, cultural, human and built capital assets, and is proposed to be structured around the four dimensions of: i) Happiness and Wellbeing; ii) Ecological sustainability; iii) Efficient use of resources; and iv) Fair distribution.

These are also supposed to be consistent with the goals of the Earth Charter, the Millennium Development Goals (MDGs), and the emerging Sustainable Development Goals.

The UN High Level Meeting has now decided to commission a team of experts to elaborate these four dimensions to be considered by the 68th session of the General Assembly in 2013.

This is to be followed by a new “Bretton Woods” Convention to be held in 2014 for formal international adoption of the new system, and then finally, the world is to formally begin adopting and implementing the new economic paradigm by 2015.

*Now going back to the basis of Bhutan’s proposal for a new economic paradigm, we would like to submit that we have assumed this role not based on our own success or any intend to preach to the world. Our humble role has to do with the growing acceptance of our 4th King’s idea of Gross National Happiness (GNH) as an alternative development paradigm.

Over thirty years ago, our Fourth King proclaimed that “Gross National Happiness is more important than Gross National Product,” thereby setting Bhutan on a holistic development path that seeks to integrate sustainable and equitable socio-economic development with environmental conservation, cultural preservation and promotion, and good governance. Since then, it has been the single-most important philosophy that has been pervading and guiding all activities of Bhutan as a Nation-State.

Gross National Happiness (GNH) is based on concept that the ultimate purpose of our life is to seek inner happiness. And this happiness can be achieved by balancing the needs of the body with those of the mind within a peaceful and secure environment. The role of a state, in this context, is to promote those conditions, through public policies and laws, which will

enable people to pursue happiness. In short, GNH is a sustainability based, wellbeing centric and inclusive economic model.

Over the years, the concept has been elaborated into four pillars, nine domains, 72 indicators and a defined statistical measurement matrix, and these are being actively used as screening tools for all our development policies as well as legislative bills.

Going a step further, in February this year we released the first ever comprehensive GNH National Accounts, which counts not only the economic but also natural, human, social and cultural capitals as well.

We feel we have definitely greatly benefited from walking the path of GNH philosophy. A few examples are:

- i. Bhutan is today popularly known as the heaven on the earth or the last shangrila, and spiritualism is a way of everyday life;
- ii. We have the forest cover of 81%, out of which 50% are protected parks and reserves. We are also the only country in world that had committed at COP-16 to remain net carbon sink in perpetuity;
- iii. Our people enjoy free health and education, rising life expectancy, and 99.90% our children go to school. We will also be the first 100% organic farming country.
- iv. In 2008, we ushered democracy in the most precedented manner. The king gifted democracy to the people and the transition was most peaceful.

In terms of actual happiness level of the people, a nationwide survey in 2005 revealed that 52% our people were happy, 45% very happy and only 3% not very happy.

Leicester Institute in UK had ranked us the 8th happiest in the world and recently Business Week Magazine has ranked us the happiest country in South Asia.

Finally, coming to the hope and call for leadership and contributions from business leaders in supporting and implementing the new economic paradigm, it is my humble opinion that consolidation of WBCSD's vision 2050, UN's nine global compact principles and CSR's three P's should provide enough new wisdom and light to redefine its path for a sustainable business world in consonance with the proposed new economic paradigm.

Let's go to Rio+20 with the fullest resolve to save this precious planet for ourselves and all sentient beings with whom we not only share this planet but also with whose life our life is indispensably interdependent.

Let's give ourselves the cause to celebrate 20 years hereafter.

I thank you for your kind attention.

Thank you and Tashi Delek!