



# The Economics of Happiness

## How to resist to further globalisation

Text by Helena Norberg-Hodge

Photos by Alastair Magnaldo



GentleBooklets



## **#6. The Economics of Happiness.** How to resist to further globalisation

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**GentleBooklets** It is a series of long-form articles written by different authors. The booklets, designed for a quick read, feature texts and images. We have kindly asked to the authors to comment on the term “kindness.” Authors and photographers have donated their work. The motivations behind the project are the same as those of Gentletude, the desire to spread awareness about the need for “kindness” in our society, a society too focused on personal success to remember the basics of everyday living and respect for the environment that hosts us. Our decision to present these ideas in a series of publications is due to the awareness that, in order to stimulate people to think about these issues, it is necessary to present some concrete examples. In this case, the examples will be provided in the texts written by the authors.



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**THE NEW ECONOMIC PARADIGM**

You present a new economic paradigm, that promotes economic transition from globalization to localizing. Can you tell us about this “new” paradigm?

It is becoming increasingly clear that economic globalisation is destructive on many levels, from the environmental and social to the economic and personal.

Most of the major crises of our time – runaway carbon emissions, financial meltdowns, simmering ethnic tensions, food insecurity, species extinction, and more – are either exacerbated or directly caused by the global economic system.

Our own personal wellbeing is also being undermined by the competitive pressures, stress, and community breakdown associated with globalisation, and by the unrealistic role models imposed by the global consumer culture. Further globalisation will only worsen these problems.



Why do we continue on this path? We have been led to believe that globalisation is inevitable, that it is the natural flow of human progress. But this is simply untrue. This unwieldy and unfair system has been created by government policies tailored to the needs of global corporations. It is further propped up by our taxes, which go almost exclusively toward subsidising big business and ever increasing global trade.

There is an alternative, one that would reduce wealth inequality, ensure food security, rebuild community, and slow climate change – all while increasing genuine prosperity. It's economic localisation, or what I call the economics of happiness.

Localisation does not mean encouraging every community to be entirely self-sufficient, or that people in cold climates should be denied oranges or avocados. It simply means that their wheat, vegetables, or milk — in short, their basic food needs — should not travel thousands of miles when they could all be produced within a fifty mile radius.

Rather than ending all trade, steps towards localisation would aim at reducing unnecessary transport while encouraging changes to strengthen and diversify economies at the community as well as national level.

The degree of diversification, the goods produced, and the amount of trade would naturally vary from region to region.

Localising our economics would have many benefits. Rural economies in both North and South would be revitalised, helping to stem the unhealthy tide of urbanisation. Farmers would be growing primarily for local and regional rather than global markets, and could choose varieties in tune with local conditions and local tastes, thus allowing agricultural diversity to rebound. Production processes would be far smaller in scale, and therefore less stressful to the environment.

Unnecessary transport would be minimised, and so the greenhouse gas and pollution toll would decrease, as would the ecological costs of energy extraction. Ending the manic pursuit of trade would reduce the economic and hence political power of transnational banks and corporations, thereby helping to reverse the erosion of democracy.

Localisation has psychological benefits, too. In the global economy, people are pressured to conform to stereotypical, idealised role models.

These pressures contribute to a loss of self-esteem, and even self-hatred. The combination of psychological and economic insecurity lies behind increased competition between different groups and even much of the ethnic conflict and violence we are witnessing today.

Localisation supports a multitude of smaller businesses, and thereby an increase in meaningful work and kinder working conditions.



By creating bonds of face-to-face interdependence it also contributes to the rebuilding of community, which is essential for our psychological wellbeing. Being part of a strong community lessens our feelings of isolation and competitiveness, instead fostering a sense of belonging, connectedness and purpose.

Local economies are much more than utopian ideals: they have served admirably in many parts of the world for millennia.

And today, a multitude of local economy initiatives are already demonstrating localisation's ability to dramatically reduce social and environmental problems.

## THE “KIND” CONNECTIONS

When you are interdependent with a living community and living ecosystems, you are much more aware that you benefit yourself if you extend kindness and help to others – not only to other people, but to plants, animals, streams, mountains.

At the local level, this awareness of interdependence is continually reinforced by direct experience. On the contrary in a globalised economic system your behaviour has an impact on ecosystems and people that you never see, and when those relationships are mediated by giant government bureaucracies or even bigger commercial entities, it becomes almost impossible to behave in a way that is either kind or wise. I refer to this situation as having arms so long that we can't see what our hands are doing.

My experiences in Ladakh, or “Little Tibet”, are the best real-life illustration of how localised economies create closer, kinder connections between people and with the natural world.

I first arrived in Ladakh in the mid-70s, just as the region was being opened up to economic development. For centuries, the Ladakhis had been relatively isolated geographically, culturally, and economically.

High on the Tibetan plateau, cut off from the rest of the world by harsh winter conditions for most of the year,

the Ladakhis had developed a rich and harmonious culture based on self-reliance, reciprocity and careful use of natural resources.

During my time in Ladakh it became clear to me that this traditional nature-based society was far more sustainable, both socially and environmentally, than the Western consumer society I had been living in.

The old culture fulfilled fundamental human needs while respecting natural limits.

The various connecting relationships in the traditional system were mutually reinforcing, encouraging harmony and stability. Most importantly, the Ladakhis were clearly happy: it was impossible to spend any time at all with them without being won over by their contagious laughter.

Of course they had sorrows and problems, and they felt sad when faced with illness or death.

Yet the Ladakhis seemed to possess an extended, inclusive sense of self. They did not retreat behind boundaries of fear and self-protection; in fact, they seemed to be totally lacking in what we would call pride.

Over the years I came to realise that the Ladakhis' joy and dignity arose from a subtle and complex interplay between shared community bonds, local economic interactions and religious practice – all of which fostered a daily experience of interdependence.

This, in turn, provided a healthy foundation for individu-

als to grow and be nurtured, to feel that they belonged—to a people, a culture and their place on earth.

In Ladakh's traditional economy, everyone knew they had to depend directly on family, friends and neighbours. Once development began in earnest, however, a new more globalised economic system took over. In this "modern" economy, the Ladakhis' political and economic interactions took a detour via an anonymous bureaucracy.

The fabric of local interdependence disintegrated as the distance between people increased.

For the first time, there was pollution and over-exploitation of the scarce mountain resources.

Even more frightening were the tensions that arose between people, culminating in violent ethnic conflict less than a decade after development began.

The story of Ladakh reveals not only how globalised economic development tears apart community bonds and our connection to the natural world, but also shows us how local economies can foster kinder, more peaceful and sustainable societies.









## WHY SMALL IS MORE KIND

Just as in the biosphere diversity is strength, so in human culture diversity and the acceptance of differences are the true bases of peaceful and sustainable life. Unfortunately, globalisation relies on homogenising diversity for its success. It is more efficient and profitable for transnational corporations if everyone relies on the same narrow range of resources.

The natural chaotic diversity of languages and world-views does not make for a good consumer audience.

Rather people must be induced to reject their own traditions in food, clothing, building, and other customs so that they can join in the consumer culture and add to the profits of Coca-cola, Calvin Klein, Apple and the like. This homogenisation of tastes and needs brings about an artificial scarcity, which enables corporations to drive up prices while hooking consumers into a cycle of financial instability and debt.

The new globalised consumer culture is fundamentally different from the cultures that for millennia were shaped by climate and topography – by a dialogue between humans and the natural world. This is a new phenomenon, something that has never happened before: a culture determined by technological and economic forces, rather than human and ecological needs.

As indigenous societies are overrun and amalgamated

into the consumer monoculture, there are fewer and fewer examples of the real diversity of cultures that once existed.

If we are to avoid the calamitous environmental and social upheavals that threaten us, we will need to abandon the consumer monoculture and embrace local alternatives to the global economy.

Localisation not only embraces diversity of all kinds, but actively promotes it. Localisation is about adapting economic activity to each unique place on earth; doing so requires the full use of local knowledge and local resources, which are different everywhere. What I'm talking about here is diversity at every level—agricultural, biological, cultural and economic.

To see this in action it is very helpful to look at a localised food system.

Local food is, simply, food produced for local and regional consumption. For that reason, 'food miles' are relatively small, which greatly reduces fossil fuel use and pollution. Local markets give farmers an incentive to diversify, which creates a great many spin-off benefits.

Farmers can grow varieties that are best suited to local climate and soils, allowing flavour and nutrition to take precedence over transportability, shelf life and the whims of global markets.

Animal husbandry can be integrated with crop produc-

tion, providing healthier, more humane conditions for animals and a non-chemical source of fertility.

Diversification also lends itself better to organic methods, since crops are far less susceptible to pest infestations.

Organic methods, along with diversified production, also create many more niches on the farm for wild plants and animals.

Moreover, the increases in diversity are accompanied by increases in overall food production. Studies carried out all over the world show that small-scale, diversified farms actually have a higher total output per unit of land than large-scale monocultures.

These farms can help reinvigorate entire rural economies, since they employ significantly more people per acre than large monocultures. Wages paid to farm workers benefit local economies and communities far more than money paid for heavy equipment and the fuel to run it: the latter is almost immediately siphoned off to equipment manufacturers and oil companies, while wages paid to workers are spent locally.

Food security worldwide would increase if people depended more on local foods. Instead of being concentrated in a handful of corporations, control over food would be dispersed and decentralised.

If developing countries were encouraged to use their labour and their best agricultural land for local needs

rather than growing luxury crops for Northern markets, the rate of endemic hunger could be eliminated.

So localising food production is not only inherently more respectful of diversity, it also leads to cascading ‘acts of kindness’ towards other people near and far, and towards the natural world.

### **THE UNKIND ACT TOWARDS THE THIRD AND THE FOURTH WORLD**

Learning is part of our unique heritage as human beings and I think we can all agree on the importance of education; that is, the widening and enrichment of knowledge. But today schooling has become something quite different. It isolates children from their culture and from nature, training them instead to become narrow specialists in a Westernised urban environment.

This stark contrast between our educational ideals and what actually goes on in schools throughout the developing world first became apparent to me in Ladakh.

For generation after generation, Ladakhis grew up learning how to provide themselves with clothing and shelter; how to make shoes out of yak skin and robes from the wool of sheep; how to build houses out of mud and stone. Children were given an intuitive awareness that allowed them, as they grew older, to use resources in an effective and sustainable way.









None of that knowledge is provided in the modern school. Children are trained to become specialists in a technological, rather than an ecological, society.

School is a place to forget traditional skills and, worse, to look down on them.

Everything in school promotes the Western model and, as a direct consequence, makes children think of themselves and their traditions as inferior.

The basic curriculum is a poor imitation of that taught in other parts of India, which itself is an imitation of British education. There is almost nothing Ladakhi about it.

Once, while visiting a classroom in Leh, I saw a drawing in a textbook of a child's bedroom that could have been in London or New York.

It showed a pile of neatly folded handkerchiefs on a four-poster bed and gave instructions as to which drawer of the vanity unit to keep them in.

For homework, one of my young friends was supposed to figure out the angle of incidence that The Leaning Tower of Pisa makes with the ground. Another time she was struggling with an English translation of the Iliad.

Thus, modern schooling acts almost as a blindfold, preventing children from seeing the context in which they live.

They leave school unable to use their own resources, unable to function in their own world.

Education also pulls people away from agriculture into



the city, where they become dependent on the money economy.

Traditionally there was no such thing as unemployment. But in the modern sector there is now intense competition for a very limited number of paying jobs, principally in the government. As a result, unemployment is already a serious problem.

Modern education has brought some obvious benefits, like improvement in the literacy rate. It has also enabled the Ladakhis to be more informed about the forces at play in the world outside.

In so doing, however, it has divided Ladakhis from each other and the land and put them on the lowest rung of the global economic ladder.

This situation is not unique to Ladakh. In every corner of the world today, the process called 'education' is based on the same assumptions and the same Eurocentric model.

The focus is on faraway facts and figures, on 'universal' knowledge.

The books propagate information that is meant to be appropriate for the entire planet.

But since only a kind of knowledge that is far removed from specific ecosystems and cultures can be universally applicable, what children learn is essentially synthetic, divorced from the living context. If they go on to higher education, they may learn about building houses,

but these houses will be of concrete and steel, the universal box.

So too, if they study agriculture, they will learn about industrial farming: chemical fertilisers and pesticides, large machinery and hybrid seeds.

The Western educational system is making us all poorer by teaching people around the world to use the same industrial resources, ignoring those of their own environment. In this way education is creating artificial scarcity and inducing competition.

I believe that to understand the complexities of the natural world, theory must be grounded in experience.

Experiential learning is based in messy reality, with all its paradox and untidiness, its ever-changing pattern, its refusal to conform to our expectations.

As such, it inevitably leads to humility. If our studies were conducted less in the laboratory and more in the field—in the fields, in fact—scientific advance would proceed more cautiously.

If we learned to examine the potential effects of new technologies in context, over time, we would be less likely to set off destructive chains of unintended effects. Rethinking and redesigning education is a key part of localisation, and there are already signs of a shift happening around the world.

Many initiatives in the North are emerging that are re-connecting people with place through education. In the

global South, too, there are now many movements focused on teaching children about their own traditions, helping them grow into citizens able to manage and protect their own environment and resources .

These are exciting initiatives and I think we'll see much more innovation in the years to come around curricula, learning structures and institutions.

### **THE LOCALIZATING PROCESS NEEDS THAT WE CHANGE OUR MINDS**

The so-called “growth” of the global economy is actually causing the destruction of the life-support systems of our planet.

Our primary measurement of this growth is GDP (Gross Domestic Product), which is simply a measure of market activity, of money changing hands. It does not distinguish between the desirable and the undesirable, between costs and gain.

Increased expenditures on cancer, crime, car accidents, or oil spills all lead to rising GDP. Similarly, a forest cut down and turned into pulp adds to GDP, but a standing forest — crucial to the health of the biosphere — does not.

What's more, GDP considers only the portion of economic activity that involves monetary transactions, thereby leaving out the functions of family, community,







and the environment.

Thus, paying to send one's children to a day-care centre adds to GDP, while care at home by members of the family does not.

As a result, policymakers who rely on GDP can easily support policies that do irreparable harm. In the South in particular, policies that focus on elevating GDP systematically lead to the breakdown of self-reliant economies that provide people's needs with little use of cash.

Economic growth as it is measured today does not equate with progress. Better indicators, such as the Genuine Progress Index or Bhutan's policy of Gross National Happiness can assist us with shaping policy.

Ultimately, however, it is a question of shifting paradigms. Right now, we are caught in the myths of the dominant culture that prevent us from seeing that more globalised growth will actually take us backwards—towards more financial instability, social conflict and environmental breakdown.

For me, regardless of what GDP tells us, a world where there is more equality, less pollution, more biodiversity, healthier food for all, and tolerance for cultural diversity is real progress. I am convinced localisation is the best way to get there.

## **LOCAL DOES NOT MEAN “NO GLOBAL COOPERATION”**

Localisation is about creating an interdependent web of thriving community-based economies. It is not about isolating ourselves.

In fact, we need global information exchange and collaboration in order to shift to a localising path: our global environmental problems in particular demand international collaboration.

But it is vital that we distinguish between international collaboration and economic policies that deregulate global finance and trade, handing over more and more power to transnational corporations and banks.

In a world of more localised economies, there would still be international trade (though much less than now), and an apple from 10,000 miles away would cost considerably more than an apple from 10 miles away.

Once we are out of the cycle of debt and dependence on giant corporations, nations and communities will be in a far better position to trade surpluses and aid neighbours in times of economic difficulty.

Much of the tension we see in the world today, between ethnic groups, different classes and whole nations arises from the competition imposed by the global economy. This is compounded by the psychological pressures of the global consumer culture, which threaten the viability

of cultures and religions worldwide.

In Ladakh, I saw how these influences created conflict between Buddhists and Muslims. Previous to development, these two groups had lived peacefully in the same communities for centuries, often even intermarrying.

However, within only a few years of development beginning in earnest, violence had broken out on the streets. Buddhists and Muslims had become pitted against each other in the new money economy, where everyone was competing for the same scarce jobs; meanwhile, both groups endured an onslaught of advertising designed to make them feel inferior.

It is clear to me that a more localised world would actually be much more peaceful; that our interactions can be kinder between communities and nations because we are cooperating rather than competing.

Despite what seems like a glut of information today, the success of globalisation depends on a lack of balanced information from governments and the global media.

As a result, we urgently need widespread information campaigns that give a more accurate picture of the effects of conventional development and globalisation.

People in the developing world should know of the problems Western nations experience because of the consumer monoculture, while in the West we need to be better informed about the richness and wisdom of cultures in the “less developed” world. Global communica-



tion networks can help us share these messages.

I have promoted this kind of information exchange for many years.

My organisation, ISEC, has run experiential learning programmes in Ladakh for Westerners, as well as “reality tours” that enable Ladakhis to see the effects of globalisation and development outside Ladakh.

We have also hosted numerous meetings, workshops and conferences to share the ideas and experiences that help us all make more informed choices about our futures.

In order to resist further globalisation, rebuild healthy, sustainable communities and nurture both cultural and individual self-respect, we need deeper dialogue and information exchange between people across the globe.

### **CONCLUSION: APPLY THE LESSONS FROM BHUTAN AND LADAKH**

Traditional Ladakh wasn't perfect, but it was successful on two very important counts: it was sustainable, and people were happy.

As I described earlier, both of these traits stemmed from a deep sense of interdependence with others and with the natural world.

I observed a similar pattern in Bhutan, another culture in which I have worked.

While many people would attribute the success of these cultures to their Buddhist beliefs, I believe other factors are even more important.

First, neither culture had, when I first experienced them, been integrated into the global economy: needs were met by using local resources, local knowledge, and the help of neighbours and extended families.

In other words, the arms of the Ladakhis and Bhutaneses were of a length that allowed them to see clearly what their hands were doing.

In Ladakh, for example, a person can stand in the carefully tended and irrigated fields on which sustenance depends, and see the harsh, almost lifeless desert beyond. In such circumstances, the notion of limits becomes obvious.

When the money economy invaded Ladakh, limits were no longer imposed by nature, but by access to money: with enough money, it seemed, there were no limits at all. This is a fallacy, of course – one which clouds thinking throughout the global economy. In fact, the quest for continued growth remains the goal of policymakers of every political persuasion, despite clear signals from the natural world that we have already exceeded the limits of the biosphere on which all life depends.

Applying the lessons from Ladakh and Bhutan does not mean trying to emulate their cultural trappings.

We can, however, learn the importance of human scale:

we can work to bring our own economies home.

The changes needed can greatly enrich our lives. Yet they are often treated, even within the environmental movement, as sacrifices.

The emphasis is on giving things up and making do with less, rather than recognising how much we stand to gain. We forget that the price for never-ending economic growth and material prosperity has been social impoverishment, psychological insecurity, environmental crises and the loss of cultural vitality.

We could effect widespread positive change if all of us who are working in our various ways to make the world a better place – through environmentalism, social justice activism, the Occupy movement and so on – would come together to push for localisation.

The economy is the central thread tying these issues together.

If we can rebuild human-scale economic structures, these would in turn nurture intimate bonds with the earth and an active and participatory democracy, while supporting strong and vital communities, healthy families, and meaningful employment.

These structures in turn provide the security needed for individual well-being and for a sense of freedom and happiness.







## **AUTHOR**

**Helena Norberg-Hodge, author, producer and one of the pioneers of the 'new economy' movement.**

Helena is director of the International Society for Ecology and Culture (ISEC). A pioneer of the new economy movement, she is the producer of the award-winning film 'The Economics Of Happiness'. She is a recipient of the 'Alternative Nobel Prize', and the 2012 Goi Peace Prize for contributing to "the revitalization of cultural and biological diversity, and the strengthening of local communities and economies worldwide." Her book and film, 'Ancient Futures', have been translated into forty-five languages.

**[www.localfutures.org](http://www.localfutures.org)**

## PHOTOGRAPHER

### **Alastair Magnaldo, photographer**

Alastair encountered photography at the age of ten when he was captivated by light-influenced black and white prints. A luminous vision of photography remained in him that he tries to reproduce in most of his compositions, colour only being used to reinforce an atmosphere. After pursuing scientific studies during which he remained very attached to an experimental and creative approach, in 2000 he decided to invest in the domain of digital photography. It was from this moment that the perfect technical command of tools, acquired through his training, became the best way to free himself from it: he thus dedicated his photographic energy almost exclusively to the accomplishment of a personal photographic reasoning.

**[www.almagnus.com](http://www.almagnus.com)**





## **GENTLETUDE**

Gentletude is a neologism composed of the words “gentilezza”(gentleness/kindness) and “attitudine” (attitude). It pursues the aims for a better world without violence, arrogance and rudeness. A world where caring and paying attention to others, common sense and balanced competitiveness are the most important things. The production provided by the association was completely free, based on the Commons Creative Criteria. Gentletude in Italy is a non-profit organization (NPO), and in Switzerland is a non-profit association.

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