

## **Transforming Business from a GNH-inspired New Paradigm Perspective**

*10-minute delivery for the 8<sup>th</sup> Edition of the World Forum for a Responsible Economy*  
**Session title: Business Transformation towards Societal Wellbeing: A Dream or Reality?**  
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### **1. The need to transform business**

I would like to begin by acknowledging that the idea of transforming business towards achieving societal wellbeing may seem like a naïve dream to many people, but that does not mean that it is an impossible dream. In fact, it is a dream that is essential to have, and possible to work towards.

Now more than ever, it is becoming increasingly clear that there is a real need for us as a global community to take a step back and reassess: how we define progress/prosperity; how we approach development and business; and just how we go about conducting our affairs in all spheres of life.

It has become increasingly clear that a business-as-usual trajectory that has led us to a crisis-ridden world is simply not tenable. Even though humanity has benefitted from the many innovations and technological advancements over the past century – especially for those able to exploit their potential – the fact of the matter is that the current dominant system of unrestrained growth has led to worldwide ecological, social and economic crises.

As one of the key drivers of this economic system, the business sector obviously plays a critical role. Traditional modes of conducting business driven primarily by profit – sometimes at any cost – have had significant impact in generating and perpetuating these crises...leading to massive inequities, indebtedness, disempowerment of local communities, political instability and conflict, amongst a host of other cross-cutting issues.

Underlying all this has been a crisis of governance, where for example, the interests and power of big, multinational corporations override even that of nation states and international institutions.

People everywhere are questioning the current global system that continues to produce greater inequality and an increasing loss of faith in democracy. The entire world is searching for practical alternatives to social, political and economic change. And I think most of us are here today at the WFL because we agree that something has to change...traditional institutions are no longer sufficient.

## **2. Bhutan's GNH-inspired new paradigm perspective**

My contribution to the discussions today is not as a business expert, because I am not one, but as someone who has worked on the new development paradigm initiative – this was a daunting but inspiring two-year undertaking by the government of Bhutan in collaboration with a group of 71 eminent international experts from various backgrounds. The task was to draft and propose a new development paradigm based on wellbeing and happiness as a contribution to the worldwide effort now underway to define a new global development agenda meant to guide society at the end of the millennium development goals (MDGs) in 2015.

In summary, the new paradigm calls for a reconsideration of the purpose of development. It differs from the existing/dominant growth-based approach by making sustainability of life on earth the top concern, and recalibrating development to ensure that life – of humans, other species and the earth itself – is valued and prioritized. The new framework is intended to be holistic and inclusive, and begins with a vision of societal happiness, which offers a collective goal for humanity and a wider lens through which to view human progress, within planetary boundaries.

## **3. Transforming business for societal wellbeing**

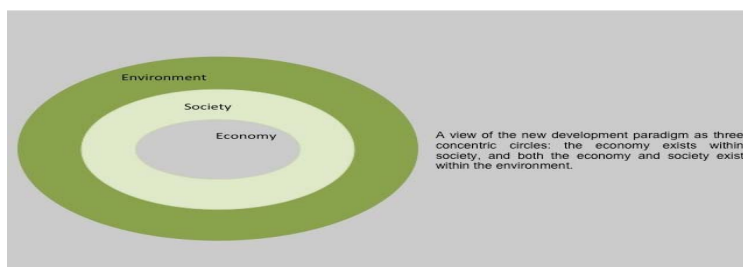
This GNH-inspired new paradigm perspective, I think, is highly relevant for business and has the potential to catalyze some very profound transformations in the way companies and individuals approach and conduct business. For one, it prompts us to look at the bigger picture so that the role of economy and businesses becomes clearer in the larger scheme of things.

GNH and the NDP remind us to reflect on this fundamental question: ***What is the ultimate purpose of whatever it is that we do – be it in the field of development, governance, policy, the arts, business, etc. – to what end do we put in all these efforts?***

If we take a moment to reflect on this very carefully, it becomes apparent that what we want in the end is to be well and happy...this is a universal aspiration.

Coming from this perspective, the implicit assumption of the dominant, growth-based paradigm that life exists to serve the economy is challenged. As members of our expert working group have emphasized time and again, the economy exists to serve people, not the other way around.

In contrast to the commonly quoted “triple bottom line” reporting model that gives economic, social, and ecological measures equal status, new paradigm thinking sees economy as a sub-system of the society whose broader wellbeing it must serve, while society is a sub-system of an encompassing ecosystem that provides vital life-support services to the human economy.



***Additionally, the principles of the proposed new paradigm provide some food-for-thought for beginning the process of transformation in business:***

*(i) Transformation in what we value*

Principle one states that, we must value life – the life of all humanity and all living beings – over acquisitiveness and profit. We must also recognise the difference between needs and wants, and value needs over wants.

*(ii) Reconsideration of the purpose of development*

Principle two is a reminder that we must reconsider the purpose of development and how it is defined. The priority needs to be on nurturing the broader conditions for happiness and wellbeing of all life on earth - Adequate economic security is one of those

conditions but by no means the only one; and we need to move away from the obsession with industrialisation, increased production, income, consumption, and accumulation of material wealth.

*(iii) Reorientation of humanity towards service*

Principle three is about reorienting humanity towards service. This has two meanings. First, we have focused production largely on the provision of material goods, rather than considering the services those goods provide. As a result, we are flooded with goods that often quickly become obsolete and need to be replaced. Instead, we need to recognise, for example, that we do not necessarily need a car; we need to get from one place to another.

Second, orienting ourselves towards service also means seeing our work in terms of its purpose and benefit to society. Our work as teachers, labourers, artists or business-people should truly serve the needs of society as well as being a source of livelihood to ourselves.

*(iv) Recognition of interconnectedness*

Principle four is about recognizing our interconnectedness. The phenomenon of globalisation and the devastating impacts of economic activity through climate change, resource depletion, species extinctions and more have made our mutual interdependence much more obvious than in any prior generation.

We need to understand that none of our actions occur in a vacuum, that our choices and actions have consequences. If we are to co-exist with our fellow beings, we have to be more responsible about the way we produce goods, provide services, and so on. This includes fostering awareness in our educational institutions, media and elsewhere on where, how, and under what conditions our daily products are produced and disposed.

*(v) Ethos of cooperation*

Finally and most importantly, in order to make any kind of meaningful transformation, an ethos of cooperation and unity must replace the current obsession with cutthroat competition and the rat race to financial success that has led to enormous stress levels,

depression and unhappiness. We need to recognize that our own separate interests will only be served by cooperation, collaboration and integration of our efforts at every level.

#### **4. Concluding thoughts**

In summary, the starting point for societal transformation, and therefore for business, is a compelling new narrative – a new story where interdependence is recognized; humans are cooperative; the economy serves the people; and wellbeing and prosperity are possible within planetary boundaries. Altruism and compassion must feature in this new narrative for progress and development as they provide the motivation to move to the next level of cooperation and add the “voice of care” to the “voice of reason” in business and economics.

If transformation in business is to be geared towards societal wellbeing, then there will need to be fundamental shifts in intent and approach to conducting business.

Businesses would function with the primary purpose of working for the common good. Akin to social enterprises for example, the priority would be on providing sustainable solutions for social, environmental and human justice issues and in furthering these goals, rather than on generating maximum profit and market share. Business would be operated with the spirit of partnership and cooperation, rather in a competitive cutthroat manner. Business would serve a wider set of stakeholders including their beneficiaries and employees. The success of business would be assessed in their ability to create sustainable, lasting benefits for consumers, and in the ability to provide meaningful employment and decent working conditions and benefits...so that they “provide the capabilities for people to flourish in their communities.”

In the long run, the manner in which we choose to approach and conduct business will yield the appropriate payback. When a business functions as a responsible actor to produce direct public benefits, there will definitely be appreciation and the corresponding support from the local communities for such businesses, making it more sustainable. On the other hand, the consequences of reckless business conducted at any

cost is also bound to come around as more and more people everywhere become aware of uncompassionate business practices. Also (as a side note), for those running businesses, wouldn't it be easier on your conscience if you conducted your business responsibly? Wouldn't you sleep better at night, and wouldn't that contribute to your own peace of mind and wellbeing?!

Essentially, in order for responsible models of business to go mainstream, mind-sets and behaviors will need to change. Just the creation of new policies, structures and mechanisms will not be adequate. The transformation of our values, mind-sets and psychology should reinforce the change in the outer conditions of wellbeing and their institutional structures. Otherwise, systemic changes will remain in conflict with internal values and vice versa, resulting in gridlock and even intensifying unresolved tensions. So transformation needs to be both internal and external.

So for example, as we talk about transforming business for societal wellbeing, the language of wellbeing or happiness must not be misused as another "in vogue" trend that businesses jump onto as a marketing gimmick. From our own experience in Bhutan, there have been many concerns expressed about using GNH and the "GNH brand" as a marketing gimmick for tourism.

There are of course numerous challenges that we can expect along the way, which are actually quite daunting even to think about. But we must remember that *difficult* is not the same as *impossible*. Humans are not prisoners of a fixed nature; laws that describe human political, social and economic development are themselves the creation of human beings. And because the institutions and policies that currently endanger our survival are human created, they can be transformed if we wish to do so.

As Albert Einstein observed: "We can't solve problems by using the same kind of thinking we used when we created them." Therefore, what we need is quite simply a "revolution of the imagination."!

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