

## **David Korten**

The charge from the Chairman Jigmi Y. Thinley calls us to clarify what defines a true new development paradigm.

“Our approach must be distinguished from standard sustainable development approaches that frequently do no more than tinker round the edges of the existing system, albeit in well-meaning ways but without producing the real change in thought and action that is so urgently needed.”

I suggest that the prime distinction between old and new paradigms turns on a basic question, “What do we consider to be most sacred, i.e., most crucial to our well-being and therefore worthy of our deepest respect and care?”

The favored old development paradigm indicators for assessing economic performance— GDP and the GPI modification of GDP—reduce all values to financial metrics. Life is thus valued at its market price, which implies that the purpose of the economy is to make money. Money and markets become sacred. Growing GDP through our labor and consumption becomes our defining moral responsibility. Life becomes a means.

Trillions of dollars in phantom financial assets, however, are useless in a dead world. Human health and happiness ultimately depend on the health and well-being of Earth’s living systems, not on accounting entries recorded on a computer hard drive.

In the new paradigm, life and the living Earth Community are sacred. The economy exists to serve life. Money and finance are means, not ends. Maintaining and enhancing the health and happiness of the living Earth Community to which we all belong becomes our defining moral responsibility.

The Bhutan Gross National Happiness Index qualifies as a new paradigm index because it is comprised of living metrics. Life thus becomes the defining value in its own right. This is an essential first step toward framing and implementing a new development paradigm that values life more than money.

The immediate challenge for Bhutan is to refine the structure and application of the GNHI based on implementation experience to date. I sense that despite having developed the leading alternative to old paradigm economic performance indicators, Bhutan is still going down the familiar path to the same moral, social, and environmental devastation experienced by countries that openly and unequivocally embrace to the old paradigm GDP growth-centered development model. It is simply a bit slower and less enthusiastic.

The entire world needs a new development model and the Bhutan vision and experience offer an important contribution to filling that need. It may be premature, however, for Bhutan to advise the rest of the world on how to reverse the devastation of a failed development paradigm that Bhutan itself has not yet fully experienced.

I suggest that the most important contribution Bhutan can make to the global development debate at this point in time is to share what it has learned from its experience to date in implementing a new development paradigm, the unanswered questions it is asking itself, and its plans for taking its own new paradigm implementation to the next level.