

The Bellagio Initiative

Global Dialogue Summary

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The Inclusive Economy

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In the framework of the Bellagio Initiative, *The Broker* hosted a lively online debate on human wellbeing and inclusive economics in the twenty-first century. The discussion took place over 6 weeks in August and September 2011. Our contributors agree that economic growth as measured by GDP generally has very little to do with human wellbeing *per se*. We should start viewing and measuring development as a social phenomenon that originates in the social nature of human beings. Although replacing GDP with an alternative measurement that is equally simple and intuitive is not an easy task, we should look towards the relational aspects of wellbeing to come up with a socially oriented parameter that does justice to what actually makes life worthwhile.

Why we need a radical change in economic thinking

Ultimately, human wellbeing is what matters most. The fact that this is so little reflected by mainstream economic thinking and policy making is unsettling at best. And disastrous at worst. In an increasingly complex world in which the extent to which we are all interdependent is taking on altogether new shapes and forms, we'd better step it up and come up with ways in which to lead ourselves into a sustainable future.

Philanthropic trusts and development agencies often still focus on orthodox economic growth models that aim for profit maximisation and efficiency. This is based on the assumption that, eventually, this will lead to better collective wellbeing. But it does not! What we need is a powerful new perspective to confront the challenges that humanity is faced with today. The focus on human wellbeing offers just that. If we adopt this significantly different perspective on what we are doing, how does this impact the way

we look towards the future?

Starting from this perspective, it is interesting to regard human wellbeing in the context of a radical change in economic thinking towards an inclusive and sustainable economics. Apart from strictly economic factors, our wellbeing is largely based on social and political circumstances – it is about time that we develop a notion of economics that takes these into account and goes out of its way to accommodate these.

The Broker is contributing to the Bellagio Initiative by hosting an online debate on a series of questions related to the promotion of human wellbeing in general, and the transformation towards a global sustainable and inclusive economy in particular.

Questions that are being addressed are, among others:

- To what extent can and should we change the rules of the contemporary economic game to support us in our efforts to live well together in the twenty-first century?
- What would be the relevant criteria to meaningfully measure and monitor the inclusive-ness of our global economy and our collective wellbeing?
- How should we evaluate the occurrence of conflict in moving towards a new notion of inclusive economics and how can agencies and foundations act on this?
- What are the implications for development policy and practice if human wellbeing is explicitly adopted as its central goal?

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Key issues to emerge include:

Growth vs wellbeing

Despite the fact that growth as objective of economic policy is needed it should not be the primary one, Charles Seaford – head of the Centre for Well-being at the New Economics Foundation – argues in his blog post. The limitations of growth as indicator of wellbeing are significant, many contributors contend. Hence, there is a great need to start including more diverse aspects of what it is that constitutes human wellbeing.

Alternatives to GDP

Rather than throwing GDP out the window altogether, we need to demystify it and determine its rightful place in evaluating collective wellbeing. 'GDP becomes the default option and growth becomes the primary social objective,' Seaford observes. This leads us to conclude that we need a new measure of progress. And we need it now, or soon at least. Much of the debate revolved around the question of what this alternative could be, and in what direction we should be looking for it.

The importance of simplicity and intuitive clarity

'We are in need of a single, powerful concept to rival growth as development paradigm', says Henk Molenaar, executive director at WOTRO Science for Development. Needless to say, this is not an easy task. Nonetheless, the concept is likely to be found in the dimension of life that is not based on the logic of accumulation and competition i.e. the social nature of human beings. If we want to make a difference, we

should start looking at and measuring development as a social phenomenon that is 'nested in relations rather than individuals', Molenaar contends.

An economics that serves its public purpose

The 'corruption' of the economic profession is a topic that repeatedly surfaces in the debate about wellbeing. Katherine Zobre, a recent graduate from the international development studies Master's program at the University of Amsterdam, argues that 'the loudest voices in the economics communities have failed to serve their public purpose'.

A paradigm shift is underway

Cultural thinker, innovator and policy advisor Michiel Schwarz urges us to look towards the emerging culture of the twenty-first century – 'sustainism' as he calls it – as it captures the new paradigm that will come to shape our collective perceptions of wellbeing and how we wish to design our living environment.

Power to the people

Manuela Monteiro, Executive Director of Hivos, writes that informed and motivated citizens are the most powerful agents of change. According to her, rather than continuing to attempt to exert influence at ever higher levels to bring about structural policy changes whose impact on the distribution of wealth and wellbeing is questionable to begin with, we need to refocus by trusting in the creativity of civil society. People are able to change a failed system collectively, she says.

Bellagio Initiative

The Future of
Philanthropy and
Development in the
Pursuit of Human
Wellbeing

Credits
Steffie Verstappen, 'The
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The Bellagio Initiative is a series of global consultations to produce a new framework for philanthropic and international development collaboration in pursuit of human wellbeing in the 21st century. The project is led by the Institute of Development Studies (IDS), the Resource Alliance and the Rockefeller Foundation.