Moving from GDP towards GNH:
Beyond The World Bank's Quality of Growth Model for Achieving Sustainable Development

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Abstract

The paper proposes a somewhat sanguine approach to the potential for the acceptance of the concept of GNH in future policy making concerning sustainable development in the Indonesian context. It begins with the obvious, that GDP has been and will remain the yard stick for development and that it is extremely unlikely that technocrats will take such a qualitative and idealistic indicator of the health of society seriously though they may be more inclined to consider the more recent notion of individual "well being" rather than happiness.[i] The paper proposes that the goals and mechanisms for achieving those goals in the World Bank 2000 Model for promoting sustainable development do in fact theoretically work towards creating better governance and a more equitable society. Accordingly, the new development paradigm in working towards generating well being in society as a whole has taken important conceptual steps towards achieving the goals of the GNH movement, goals which are increasingly becoming the subject of national concern in many developed and developing countries.[ii]

Above all, this paper has a singular purpose. The purpose is to provide those working to achieve the aims of the GNH movement in this region some basic conceptual tools and background which might help them to be more effective in engaging the development world. In this, in light of the upcoming UNFCCC conference in Bali in December and the intense interest in the environment in media and society at large at the moment, it calls for taking personal responsibility as expressed in action rather than leaving the attempted resolution of the basic crisis up to interminable international negotiation. It concludes that what is needed in taking up the challenges in critically engaging the World Bank Model from the point of view of individuals in civil society is to get involved in collective eco-consciousness building and pragmatic eco-action at the micro-level, that is, in terms of the committed self-empowerment of the individual and the community as and where one can. In all this, in my view, the most compelling and effective model for promoting environmental protection and a healthier society still lies after all these decades in Schumacher's *Small is Beautiful* (1973). Though there is no need to preach to the converted in this context, what we need to do perhaps is to educate others to continue in this

legacy as activists do – to plant one tree at a time (not write one treaty at a time), teach environmental awareness to our children in one classroom in one school one day at a time.[iii]

This paper modifies the World Bank's mandate in the *Quality of Life* report (2000) for achieving the Millennium Goals and raises for this audience the issues concerning GDP and sustainable development in terms of bringing GNH into the equation. In order to situate these models and this potential in the Indonesian context, the paper revisits something of the complex history concerning the notion of sustainable development with special reference to Indonesia. All in all then, the purpose here is to bring something of the literature on sustainable development to this audience in the hope that for some it might be a useful resource. At the same time it critiques development models in terms of their reliance on success in achieving an increase in GDP associated with growth in the economy driven by extractive industries. Finally, at the simplest level, this paper merely adds to the call that environmental conservation and better sustainable management of natural resources should be placed at the center of all models and activities.

Introduction

To date, the dominant models for environmental economics in Indonesia, specifically on the relations between extractive industries, sustainable development and conservation are based on supply side economics which attempt to create a more balanced relationship between economic growth, environmental damage and social inequality. In these models, an increase in GDP is the final measure of success and the concept of Gross National Happiness, henceforth GNH, has not yet received any attention as far as I know. Nevertheless, these heuristic models do account to some degree for the aims of the GNH movement, despite it being outside of empirical analysis, for the aims of the state and the World Bank, are ultimately, at least rhetorically - to improve the quality of life.[iv]

While it will be difficult, if not impossible, to convince economists in state institutions and in institutions such as the World Bank to take something as spiritual and humanistic, and perhaps even overly idealistic as GNH seriously, there is a different tactic which can be taken to achieve the same ends. By arguing for the central importance of the protection of the environment as in the best interests of the economy in the long term, the goals of the eco-spiritualism of the GNH movement could gradually be established within the consciousness of policy makers and citizens alike. To some extent, as will be considered below, it is arguable that this indeed is already relatively well advanced in the shift in the World Bank's 1980's energy focused policies to its more holistic philosophy in the 1990's and beyond.

In designing economic policies, technocrats visualize the complex overall relations between the economic, social and environmental factors through conceptual models which are increasingly turning to center on the requirements for successfully implementing and evaluating sustainable development. In order to examine this, the first part of this paper explores a series of heuristic models which describe how the World Bank model, as presented in the *Quality of Growth* report (Vinod et. al. 2000), can be re-imagined in terms of a sustainable development action chain consisting of a constant process of implementation and evaluation.[v]

Figure 1, as will be discussed in the first section of this paper immediately below, presents an active model for showing how this model integrates driving forces and mechanisms which connect growth in the economy to environmental protection. These new development models introduce critical enabling factors such as good governance and reduced corruption which are central to the health of civil society and which are assumed in the best circumstances to lead to an increase in both GDP and even GNH. The rest of the figures discussed further below complement specific aspects of the World Bank model for sustainable development through relating it to models in the literature on the economics of sustainable development in Indonesia and finally proposing an eco-centric GNH version of the model.

Beyond engaging this hypothetical world of models for and of development, I argue that what is needed is nothing short of a paradigm shift in the Indonesian government and in civil society. Contrary to the dominant paradigm, the immediate needs for protecting the environment need to come first and the economy second. Nevertheless, the World Bank's efforts to eradicate corruption and promote good governance are critically progressive components. And though it is not the topic of this paper, it is worth a brief mention at this point that in a shift in local and regional consciousness translated into reality through sustained creative action, particularly by mass faith based organizations working at the community level, could facilitate such a shift (see Zilberg 2006).[vi] Herein, in terms of pragmatic and immediately realizable action on a national level and reaching down to the district and village level, it is faith based organizations that have the capacity to mobilize millions of people so to imagine themselves as stewards of the environment and thus ultimately realize the ideals of the GNH movement which are essentially a matter of quality of growth. Indeed, the global growth in ecumenical eco-spiritualism has enormous potential to effect change from the ground up and thus alter the conceptual basis of all the following models through micro-economic activity beginning with individuals and villages, one by one, seed by seed, tree by tree, watershed by watershed.

The World Bank 2000 Model

The following three figures provide a conceptual summary of the way in which technocrats understand the relationship between the economy, the environment and society, at least in the context of the World Bank and development models and policies in Indonesia. These heuristic models are arguably useful for conceptualizing the key issues in the connections between achieving sustainable development and the dominance of GDP as the central current policy model. To begin with, Figure 1 presents a modified version of the World Bank's 2000 model for improving the quality of growth through strengthening governance, pro-poor budgeting and reduced corruption in order to increase the effectiveness of funding development and in effect, to increase the GDP. This figure stresses the dynamics of the inter-related factors and the critical importance of a functional chain without which the desired ends cannot be met. In this model, mis-governance, economic distortions, corruption, inadequate human resource development and institutional capacity render this not only a highly imperfect machine in need of constant and costly maintenance and even at its best allowing for a rough uphill ride.[vii]

THE WORLD BANK'S 2000 SUSTAINABLE DEVELOPMENT BICYCLE

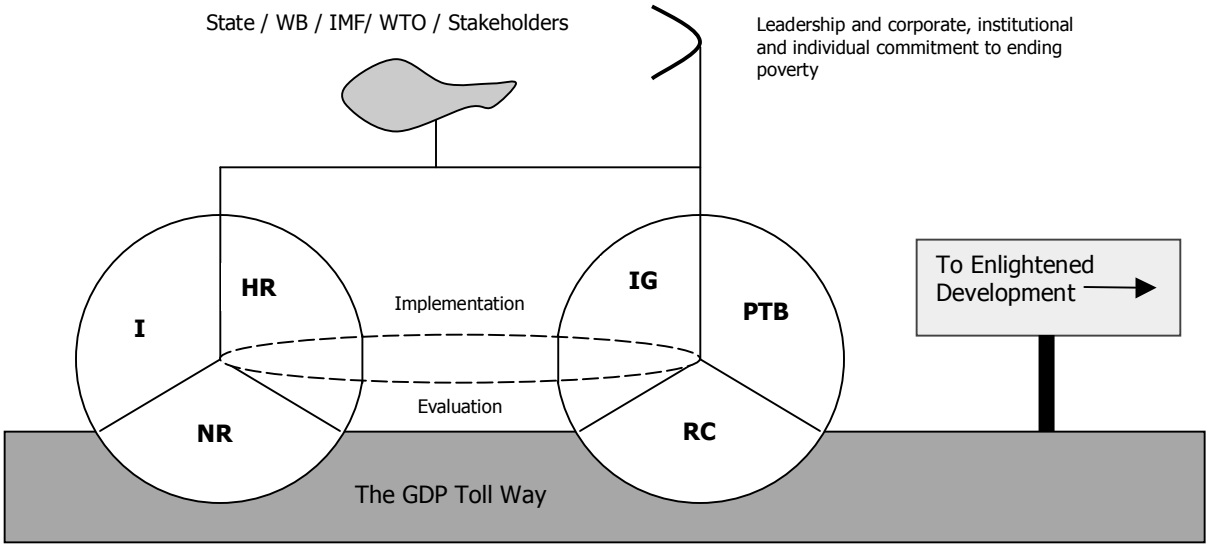


Figure 1

Legend	
NR : Natural Resources	IG : Improved Governance
HR : Human Resources	PTB : Pro-poor Transparent Budgeting
I : Infrastructure	RC : Reduced Corruption

Figure 2, below, is essentially similar to Figure 1 both systems being driven by capital and having the raison d'être of creating capital. In a similar fashion, the connection between the environment, human resources and infrastructure in terms of economic growth through addressing constraints and achieving more equitable results with factors such as corruption and weak governance being identified as having a causal relationship with poverty and sluggish growth in GDP.

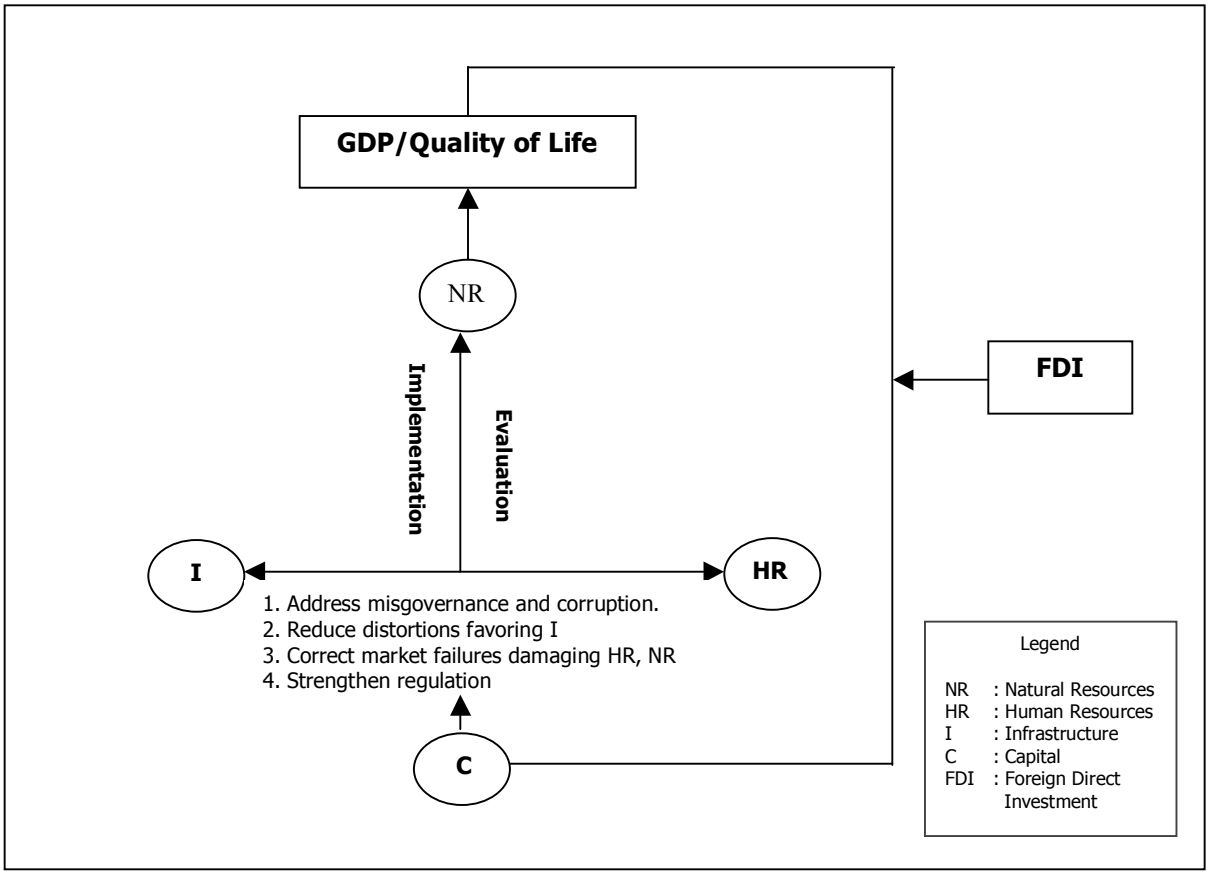
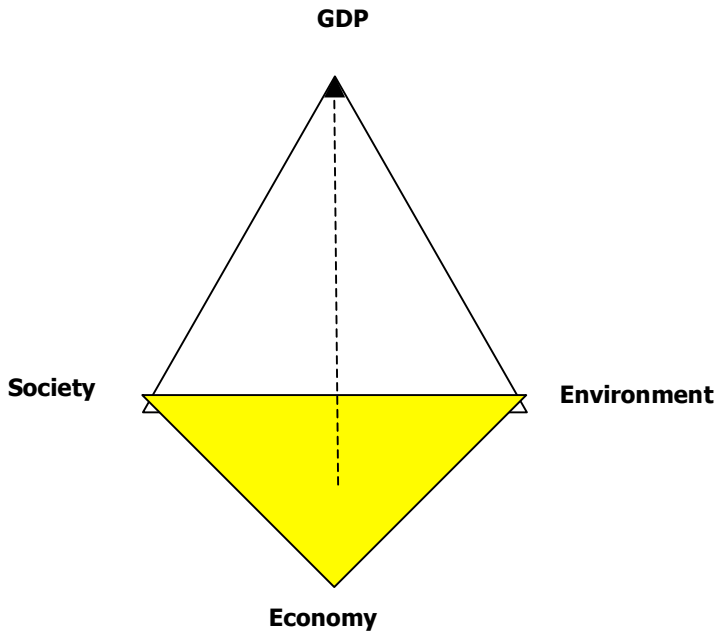


Figure 2

Figure 3, below, is known in the literature as the ESE triangle. It is yet another heuristic model for conceptualizing the relationship between the economy, the environment and society. Here the ideal is to achieve a balance between these sectors whereas in the past, and to all ostensible ends, the triangle will continue to be sharply tilted up along the economy axis (see Azis and Salim 2005:130 fig 8.1)

The Ideally Balanced ESE Triangle



In the ESE Triangle, a flat base represents the maximal productive balance between the needs of the society, the environment and the economy. This paper argues that a balanced ESE triangle would result in a more sustainable increase in GDP but a lower GDP than currently achieved. In contrast, Aziz and Salim assume that a flat base will result in a higher GDP. Suffice it to say that in the current economies in developing countries, such as Indonesia, the triangle is sharply tilted upward along the economy axis due to the state policy's to emphasize the economy over society and the environment. This current imbalance produces systems which are not conducive to sustainable development.

Source: Azis and Salim 2004 pp.sp.130.

Figure 3

CHANGING WHEELS ON THE WBSD BICYCLE

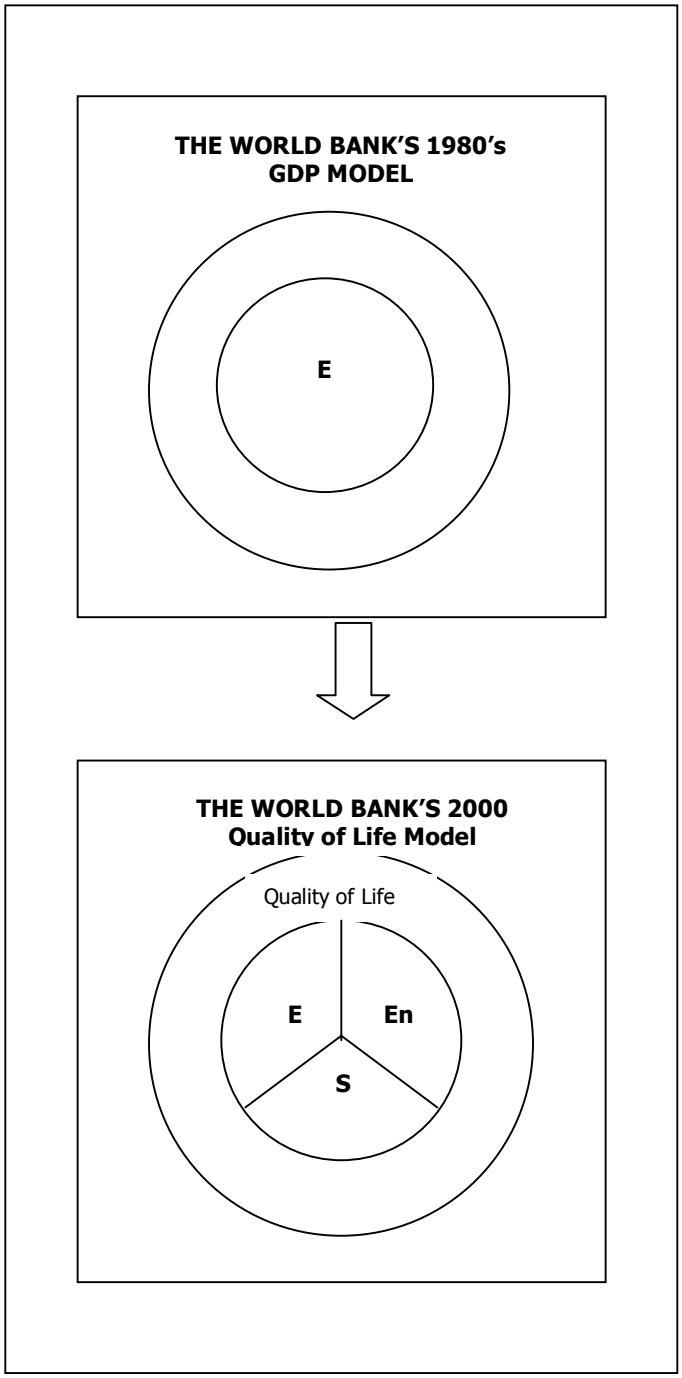


Figure 4

The purpose of this paper to this point has been to present these models for discussion so as to bring them out of more specialist contexts to a more general audience. The central aim of doing so, again, is to emphasize the centrality of the concept of GDP in all such models. Herein, the express reason for giving this paper in this context is to provide GNH proponents with some basic conceptual tools to empower them to be able to speak on the same level with those constituents in civil society, governmental and non-governmental institutions who work with these models in mind either consciously or unconsciously, partially or fully. Very simply put, the GNH or GWB model I have in mind is not very different to the World Bank Model in that it simply replaces GDP with GNH or GWB.

In this conceptual vision, the ultimate measure of quality of growth is not necessarily connected to an ever-increasing GDP but the general well being of society. Finally, as regards Figure 3, the ESE triangle for ideally balanced growth and Figure 4, "Changing Wheels on The World Bank 2000 SD Bicycle", my preferred heuristic for changing the wheels yet again is to place environmental conservation at the center of all things. Herein both wheels would consist of the four concentric pillars of the GNH movement, the outer three being equitable development, cultural heritage and finally, good governance and the inner ring being the environment. The driver would no longer be capital and the aim increased GDP but the moral and spiritual force and goal of the individual attainment of greater well being (Dasgupta 2004).[viii]

The remainder of the paper provides some background on the history of sustainable development with particular attention to the case of Indonesia. It adds historical depth to the evolution of the environmental, social and economic crisis to which the World Bank is responding. More intimately, it situates and responds to the worsening environmental crisis in Indonesia and the contradictory policies towards achieving sustainable development which rhetorically aim to balance the needs of the energy and environmental sectors but practically support energy driven business as usual. In some small measure it hopes to project the GNH agenda into future discussions on the expectations and outcomes for the upcoming UNFCCC conference in Bali in December, 2007.[ix]

A Brief History of Sustainable Development with Special Reference to Indonesia

SD was originally defined in 1987 in the Brundtland Commission Report, *Our Common Future*, as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."[x] Though this is vague and the term sustainable development itself continues to be an issue of debate, this is the original definition and is the essence of Theodore Roosevelt's notion that the environment is the productive and spiritual base

for the future and that each generation should improve rather than degrade the environment. Above all, sustainable development is about ensuring sustained quality growth and the effective management of natural resources. It has in recent years been the subject of sustained scholarship and research (Sayer and Campbell 2004, Sayer and Byron's 2001, Resosudarmo 2005) though the trend began over a decade ago (CIFOR 1995, Fisher 1993, Valentine 1996).

Such studies are best approached with the larger humanistic dimension in mind as considered in studies such as critical studies such as *The Moral Consequences of Economic Growth* (Friedman 2005) and for the all important anthropological understanding of peasant resource resistance to the state as in the case in Java as described in *Rich Forests: Poor People* (Peluso 1992). On an emotional level however none of these fine grained studies can replace the simplicity and moral persuasion required to drive a GNH social movement such as the two classics namely Rachel Caron's *Silent Spring* (1962) and E. F. Schumacher's *Small is Beautiful* (1973), nor the account of the risks faced by activists determined to halt the destruction of the remaining forests and the tragic struggle of indigenous rain forest peoples as portrayed in *The Burning Season* by Andrew Revkin.

As it has been understood in Indonesia by economists led by Emile Salim, in sustainable development, economic and ecological factors are brought together in a single model so as to connect the previous economic doctrine of the "trilogy of development" with environmental considerations (1984, 1986). The aims of the development trilogy were and remain to maintain economic stability so as to prevent potential hyper-inflation, to raise the standard of living and quality of life of Indonesian citizens, and to reduce the number of people living below the poverty line. Not only do these goals continue to make good sense, but they have a moral imperative which is consonant with a spiritual and theological view of environmental protection in which environmental and social considerations need to be brought to the center stage of macro-economic policy. The simple conclusion reached in all this research is that better natural resource management requires drastic reforms in governance.

Confronted with the enormous and ever increasing scale of environmental degradation and attendant poverty, idealistic economists and the UN have sought to propose unattainable goals. It is not that I disagree with the goals but with the expectation created and the certainty that they will not be met. The following discussion is this to some extent a critique of naïve expectations and calls for a more pragmatic approach while at the same time holding true to the principle that GNH should be the goal and not an increase in GDP. For instance, twenty years ago now Salim argued that the above-mentioned economic goals can only be achieved through policies of sustainable development. Subsequently the situation has become more and more urgent and received ever greater attention (see Burke 2000, Fisher 1993, Ostrom and Schroeder 1993, Valentine 1996). In order to address the actual meaning of the ever-more widely used term,

Gerard Ward has relatively recently provided detailed critical review of the concept of SD itself as seen from the context of the Pacific (2001). Indeed, SD turns out to be a more amorphous concept than one would assume in non-specialist contexts. And for the purposes of this paper, Partha Dasgupta even argues that SD has devolved upon the issue of wealth rather than product (2001, 2004). Indeed, shifting attention to the process of working towards achieving general well being should be the priority, and thus the value of the GNH to the sustainable development agenda.

The sustainable development policy shift involves two key priorities.[xi] First, multi-track development should replace the singular focus on economic concerns. Second, long term planning should be emphasized over short term profit seeking. In moving towards protecting our collective environmental and economic future, developing countries will need to avoid the mistakes of the industrial based development of the advanced industrialized countries as well as the mistakes of the material biased development of the High Performing Asian Economies following the East Asian development model. The policy model for such a paradigm must prioritize human capacity building using a decentralized participatory community approach in which civil society matures into a force which can assist institutions and government in succeeding where they have previously failed. Unfortunately In Indonesia as in most LDC's (lesser developed countries), sustainable development has arguably so far been more a matter of mere politics and hopeful rhetoric, a high profile series of idealist manifestos of little or no practical consequence.

To put it darkly, inevitably in Indonesia there will be more flooding, more land slides, more species loss, more respiratory distress and other diseases from industrial pollution, increasing poverty and an overall decrease in the quality of life in the drive to create wealth. To be realistic, the inevitable increase in poverty, contrary to Jeffrey Sachs' idealist Enlightenment Development (2005), is a simple algebraic fact that SD and millennial activists have no choice but to accept as a challenge to alleviate its effects and expansion rather than to idealistically propose to eradicate it by 2015. It is a tragic but certain fact that poverty will be a permanent condition for tens of millions of Indonesians and hundreds of millions of Asians. This is why those engaged in the development world are so passionate about their work because of the scale and urgency of the challenge despite the obvious salience of academic critiques of development and the World Bank and aid agencies (Escobar 1995, Ferguson 1990).

Indonesian Realities:
The Road from Rio to Doha and Beyond UNFCCC 2007

In Indonesia, economic theory has been related to the environment through three successive paradigms: natural resource economics, environmental economics and lastly, ecological economics. The first school of thought focused purely on the economic use of natural resources and underlies the dominant paradigm of exploitation of the environment for profit oriented economic development. The second, and more sophisticated paradigm, took into account the negative impacts of natural resource utilization such as pollution. The third, and most useful school of thought, took into account the importance of understanding the ecological system as a whole in connection to achieving economic objectives. In this particular developing country, different industries and different sectors of the economy are simultaneously operating at each of these levels. The goal of government policy should arguably be to try and encourage an economic development model which holds sustainable development as that model which offers the greatest long term benefit to society.

The economic growth achieved since 1950 has incurred enormous social and environmental costs. In order to create an institutional basis for coping with this, the first Minister of the Environment was appointed in 1978. At that time, the legal and institutional basis for sustainable development in Indonesia was established in principle but not applied. In fact, nearly a quarter of a century later, the paradigmatic shift from development to sustainable development is nothing but an idealist dream. Repeatedly, wholly ineffective declarations have been drafted from the Earth Summit in Rio in 1982 to the formalization of the efforts needed to achieve SD at the Summit of the Americas in 1996 and then beyond.

From the signing of the Tokyo/Kyoto Protocol in 1997 to The Doha Declaration in 2001 to the World Summit on Sustainable Development in Johannesburg shortly thereafter in 2002 by way of Bali PrepCom IV, SD remains a mirage. Nevertheless, the Johannesburg meeting did achieve some conceptual and institutional advances such as the Clean Development Mechanism (CDM) and the Global Environment Facility (GEF) and the rather obvious idea of the triangle of power. In this geometry of power, government, business and civil society will all have to work together and find the appropriate equilibrium for promoting SD rather than USD (unsustainable development).[xii]

It is arguable that the constraints of the world system are so powerful and so pervasive that they permanently preclude the successful introduction of a policy of sustainable development that actually can work.[xiii]Nevertheless, civil society and government, the legal system and the police, can work in conjunction with international development agencies, multi-national corporations, the private and public sector and the banking system to put such policies into effect – and they increasingly are. Simply put, without good governance, a strong and involved civil-society, and a national ideology of placing the environment and the quality of life at center stage of the economy, no policy, no matter how well intentioned and well developed

will be able to have the scale of effect that is required to prevent the continued social and environmental degradation accepted as the appropriate price for increasing the GDP. It will be fascinating to observe the outcomes from the UNFCCC conference in Bali and reflect back on all that which has transpired since Rio and to follow the course of development in Indonesia in the coming years in relation to the plans to be drafted in Bali towards a post-Kyoto post-2012 world.

Whatever the outcomes of UNFCCC, Indonesia's future economic stability depends as much on oil and gas as on the intelligent management of its total sustainable resources, that is, of its productive base. Indeed, it has been argued that there can indeed be a productive relation between the petrochemical industry and conservation (Pearce 2003) and more recently, with the CPO industry (Koh and Wilcove 2007). All in all, then, in the triangle of power considered above, this productive relation depends on a dynamic civil society and a growing economy, that is, an ever expanding GDP. The question is whether we can get around this obsession with growth and focus instead on GNH (GNWB) and whether that will indeed lead to better lives for the population at large.

The SD Controversy

The ordinary citizen interested in SD because of what it can mean to their futures, might want to know what the accords and protocols such as the 1972 Stockholm UN Conference on Human Environment, and the Rio, Tokyo, Cancun and Johannesburg meetings actually mean to individual nation's futures. What kind of economic compensation can be linked to a vigorously enforced governmental commitment to control ecosystem destruction? What might be the future added value given to sustaining biological diversity? How do the regulations of the World Trade Organization (WTO) and the predicaments posed by forces of globalization affect this ideal paradigmatic shift? What are carbon banks and how are they connected to global warming and carbon emissions in developed countries? When will the EU and the US exert vigorous efforts to halt illegal logging from the consumer's side – the force which really drives the supply chain? One of the difficulties here is engaging an informed public and in this the mass media plays a vital role in the implementation and evaluation chain proposed here in the World Bank SD bicycle model. To that end, this article consistently moves back and forth between specialist literature, internet sources and reports for a more general audience in the mass media. In this, this article is built around and very much concerned with the role that the mass media plays in advancing the SD agenda at all levels of society and in all sectors.

At Forum 2004 in Barcelona, critics from Friends of Earth International (FOEI) pointed out that the cruel truth of the matter is that the neo-liberal trade agenda of the WTO and the structural changes brought about by globalization makes SD an impossible goal. In a complex

critique of the outcomes of the World Summit on Sustainable Development (WSSD) which promoted trade and investment as a solution for SD, they add that in any event SD should be redefined to include the concepts of ecological debt and environmental space. Similarly the Global Energy Finance (GEF) roundtable also criticized the WSSD, stressing that the Convention on Biodiversity (CBD) has not been adequately considered and that the energy sector with its reliance on fossil fuel has to be drastically reoriented, to name two of many SD related issues.

In any event, the complexity and critique and the expanding terminology is dizzying. Take for example, the need to incorporate the results of COP6 of the Bali CBD into Type 1 (unilateral) and Type 2 (bilateral) WSSD outcomes in order to achieve Earth Summit's Agenda 21 on CSD despite the neo-liberal WTO agenda of increasing FDI (foreign direct investment), FDI being the major driver in the World Bank model.[xiv] The point is that regardless of these specialist discourses, a great deal of which is available on the internet, and negotiations what we need on the ground is action.

That aside, I do not mean to say that these debates and even the agreements are of no value. For example, according to Daniel Mittler, we must ditch the DOHA Ministerial on shared responsibilities by DC's and LDC's and enforce the Kyoto protocol. Some critics argue that the promises made at Rio were indeed broken because of a failure of political will by the industrialized nations and that Doha was bound to fail. In short, as this all relates to Indonesia and SD initiatives, Rio was trumped by the WTO and the Marrakesh meeting. Emile Salim was ultimately seen as having caved in to industrialism, the IMF and the World Bank at Prep Com IV in Bali. Accordingly, the FOEI roundly criticized Emile Salim's SD mandate for the then upcoming Johannesburg Ministerial which followed on "The Bali Commitment" at Prep Com III in 2002 in New York. They roundly criticized Emile's Extractive Industries Review (the EEIR) by arguing that contrary to his defense of extractive industries that there was no evidence that they have proactively promoted poverty alleviation through SD. In addition, they took the World Bank to task for issues relating to governance, financing, capacity building and in particular for funding fossil fuel projects rather than direct poverty alleviation/eradication – the greatest global challenge (see www.foei.org).

Salim responded in his typically diplomatic and conciliatory manner to the French critique with a press release in Paris "Extractive Industries Review of the World Bank in Paris" (Salim 2004). There he adopted as his own their criticism and moreover, re-articulated their assessment. In addition to adding his voice to the FOEI call for action. Moreover, he stressed that not only did the call need to be implemented immediately but that it needed to be taken even further. He concluded that the World Bank should only finance extractive industry projects if they contribute to poverty reduction through SD. He re-iterated that this would only be possible

if four conditions were in place: 1. good governance; 2. human rights; 3. effective environmental legislation; and 4. informed assent of affected populations.

Thus to return to the World Bank Model as given in Figure 1, the key issue in all this is that a coordinated strategic plan with effective feedback mechanisms is required in national SD action plans (Jacobs et. al. 2004). Such plans need to connect SD objectives and initiatives to the national budgeting process, which coordinates regional and local activities, and which puts into effect under-utilized policy instruments. It certainly doesn't help however when the behemoth of the state machinery puts its weight behind superficially green policies and investment programs which merely amount to a scorched earth program of massive environmental rape, free timber and carbon sink destruction. If it can be more cautious about balancing investment in palm oil plantations (CPO) while enforcing the use of previously cleared land, blocking upland clearing, funding equally large reforestation projects, Indonesia may be able to secure a more sustainable green future but at the current rate of deforestation it is exceedingly unlikely.[xv]

At best we can expect a mixed performance, and in any event we can be assured of a simple numbers game. There will certainly be a sustained degradation of the environment, a sustained investment in the conversion of remaining forest, a lower and lower quality of life for the poor as well as a sustained increase in poverty. Worse still, the coffin in the grave for the quality of life idealists and SD will be the conversion of the Heart of Borneo into a palm oil plantation. The Presidential order had already been placed and the decree signed in November 2005 when the Minister of Forestry Malam Sambat Kaban was reported in *The Jakarta Post* as being wholly supportive of the Borneo project. In fact, Kaban deemed it critical for the economic welfare of the local poor and for providing a major boost to the country which already produces 36% of the world's palm oil and aiming at a far higher figure. How cruelly ironic it is that a new policy of developing a sustainable oil product will turn out to be vastly more destructive to the forest environment than the petroleum oil industry. Thus, as the attention of the world turns to Indonesia during UNFCC, it will be vital to ask questions such as what is happening in Borneo and is sustainable development an oxymoron.

In any event, sustainable development programs are urgently needed because of the increasing poverty and environmental destruction linked to multiplex systemic failures. These are namely: 1. the failure of the market to take into account environmental and social factors; 2. the failure of institutions to cope with social and environmental challenges arising from mismanaged economic development; 3. the failure of government policies which though successful in terms of stimulating economic development only achieved it at the price of social and environmental degradation; and finally; 4. the failure of governance in terms of the inability of the public and private sector's to cope with changing development needs. The SD

development dictum is that these four problems impede economic development and necessitate fundamental changes in development paradigms and associated policies.

There has been uneven progress so far in moving in this direction. For instance, there have been modest successes which typically involved decentralized village level development projects. Leading examples of this emerging trend in Indonesia is the World Bank's *Kecamatan* village empowerment program (Guggenheim 2005) and the Indonesian Institute of Science's work in West Timor (Sudaryanto, W. M. Agusto and Dessy Argayulia 2007). On a larger scale, USAID's inspired emphasis on the centrality of supporting civil society and gender programs will do much for creating the necessary environment for facilitation SD projects and will clear considerable space for achieving SD objectives. As regards the state and the larger and more central issue of the environment, the recent moves by the state in 2005 to attempt to control illegal logging is one positive case of the state moving in this direction - but not yet within an SD policy framework. In any event, the Basic Law of Environmental Management (1982) has yet to be effectively implemented, the 2006 moratorium on logging in Aceh has not been enforced and all manner of problems are preventing the prosecution of cases of illegal logging, particularly in Riau (Tempo 2007).

Lastly, despite the problems constraining SD, there have however been significant developments. Large scale projects such as the European Union's work with the Government of Indonesia on the Leuser project in Aceh and Sulawesi are building momentum and many other significant projects are underway.[xvi] Yet in reaching for large scale SD initiatives and results, one should not loose sight of the small local victories. Of all these, the one that most pleases my conservationist heart is the growth of butterfly farms in Lampung led and inspired by a single woman, "Mbak Iing" (Herawati Soekardi), a biology professor at the University of Lampung (see Nababam 2007). Then there is the increasing use of bamboo in architecture, and the self-generated micro-re-forestation programs led by many other visionary individuals imagining and enacting programs wholly through their own initiative and with little if any funding. Again, as Schumacher wrote long ago, small is indeed beautiful and in such small developments might well lie our salvation (1973).

No doubt working towards SD faces a long uphill battle. The biggest problem facing sustainable development is the gap between policy and reality in that there are established systemic constraints on its potential (see Resosudarmo 2005). Any consideration of future policies for sustainable development in Indonesia will have to take into account the international context and the international development of the paradigm so as to situate Indonesia within the global context of international accords and treaties none of which have had any significant success as of yet mainly because of inequalities between LDC's and DC's exacerbated by WTO policies.

Naturally, the question on everyone's mind at the moment is whether UNFCCC in Bali in December 2007 will have any positive outcomes outside of rhetoric and interminable wrangling, inaction and continuing environmental destruction and thus global warming and the attendant long term catastrophic consequences as so effectively presented in the film *An Inconvenient Truth*.[xvii] In terms of global warming, Indonesia faces urgent problems should the SD/GNH paradigm shift fail. Once again, the destruction has only been exacerbated by the growth of the palm oil industry which emerged as an alternative to non-sustainable fossil fool use and thus a cruel irony as concerns the environment. Accordingly, it is not mere hubris to argue that only a revolutionary change in structure and consciousness can allow for sustainable development and environmental regeneration in Indonesia.

Conclusion

This paper began with the World Bank's post-2000 development policies in terms of linking increased GDP to good governance and other reforms and suggested that the result of the shift to such social factors might well make policy makers in such institutions and in governments more conducive to introducing the notion of GNH or GWB into the equation. The paper has also provided a relatively detailed discussion of the concept of sustainable development and something of its history in Indonesia in order to establish a basic understanding of the broad issues at hand as the GNH Movement expands its regional engagement and comes to grips with local particularities many of which are present common regional constraints. There is of-course an immediate purpose of discussing these heuristic models to the audience at this conference, and in making this discussion on SD available in the body of the paper alongside a substantial bibliography. Hopefully these materials might provide a more rigorous conceptual framework and the impetus and information necessary to those in civil society and those involved in development and government who are beginning to ponder the future outcomes of the forthcoming UNFCCC conference in Bali in December 2007 (Godoy 2007, Hotland 2007).

This is fundamentally important in light of the constant escalation of environmental degradation in Indonesia. The simple fact of the matter is that since the initial negotiations in Rio the environmental situation has continued to degrade at a catastrophic rate and in all likelihood further negotiations in my opinion will suffer the same fate. Increasingly, Indonesian youth groups struggling to protect the environment are arguing that we don't need expensive conferences with government officials negotiating trade deals and non-binding or binding commitments which will probably never be enforced or acted upon. What we need is education, and immediate and sustained action to stop deforestation and engage communities to protect,

nurture and exploit their resources in a sustainable fashion so as to begin the process of healing the world and protecting what we still have (Lassa 2007, Wahyuni 2007).

To some important degree what we need in terms of practical visionary action is already taking place, and much of this is supported by organizations such as the World Bank and even by the state, if unevenly. In this regard, Yvette Susskind, Communications Director for MADRE, an international women's human fights group, proposes eleven suggestions for expanded action.[xviii] They have already met with some degrees of success in some contexts. In cases, both individual women and men are taking the lead as for instance in the African Green Belt Movement. Poor rural farmers are being given support. Indigenous people's are struggling for their rights to their land and sometimes winning those rights be it somewhat pyrrhic (see Taylor 2007). People are increasingly aware of the need to shift the economy to value ecosystems and indigenous rights rather than extractive industries. And yet, though these are important issues, the Government of Indonesia will certainly continue to consider extractive industries and the energy sector as the central driver in the economy regardless of the social and environmental cost.[xix]

Valuing GNH (or GWB and GPI – Gross Well Being and Genuine Progress Indicators) over GDP, is unlikely to take hold amongst Indonesian policy makes. There is nevertheless a powerful discourse emerging in civil society and government which is particularly well established in aid organizations about the need to build the economy while supporting environmental protection, good governance, education and healthcare and limiting corruption among other critical social components for equitable sustainable development. More and more one reads about the connections between promoting democracy and protecting marginalized communities, connecting debt and poverty reduction to carbon banking etc. Though the specifics of such issues, negotiations and their impacts are far beyond the non-specialist we nevertheless read about them almost every day in the mass media and thus are developing a better if necessarily relatively superficial understanding of the issues at hand. For instance currently, the need to force a commitment to reducing carbon emissions and a shift to sustainable development through taxation and regulation is a topic of sustained media attention.[xx] Yet despite the educational and communication function of the mass media as the fourth estate, awareness of the issues and what is at stake remains very minimal and fragmentary (Simamora a)

Realizing this and the obstacles in the struggle against global warming, proponents of sustainable development hope that emerging business opportunities will lead the way. As Susskind notes (op. cit.), in Thailand however, the state has successfully promoted sufficiency economies which reduce poverty through coupling low growth rates and environmental protection while promoting rural development and self-reliance. In doing so, such governments are leading the critical shift to de-industrialize society through expanding the "transition movement" towards reducing dependence on non-renewable energy (see Salim 2004). Moreover,

working towards mobilizing civil society through community action without relying on top down government led policy clearly has potential, and in this regard, my goal as a researcher and educator working to synthesize and communicate information between sectors aims to do just this.

Though the responses to the MADRE blog in which Susskind proposed eleven solutions ranged considerably as they always do, the point is that while civil society is increasingly thinking and talking about these issues, the general population at large is still by and large unaware of the extent of work being done at both practical, theoretical levels. Accordingly, the singular aim of this paper is to bridge some of the information from these diverse domains in order to potentially empower GNH promoters engaged in efforts to protect the environment and promoted sustainable development. In this regard, that is in terms of action rather than discourse, the most pertinent response of all within the blog was the last which reads: "Somebody actually suggested workable solutions? I mean, instead of saying "wouldn't it be nice if women mobilized the global food-producing economy?", why not make some actual suggestions for how this might happen? Instead of making general suggestions for things "people" could do, why not say who could do what, if you have some ideas? The global leftist community suffers from a lack of real, specific suggestions for how to solve all the crises it likes to talk about. I'm dying for some real viable suggestions so I can actually make a difference!"[xxi]

Once again, the point this paper has sought to make is that individuals in civil society, in governments and in aid agencies working with World Bank and USAID funds etc are making a difference, sometimes to considerable effect, whether it be positive or negative. But as the above final comment about making a difference reveals, the ultimate question for those of us who are concerned about such issues but not involved in development or human rights and such, is precisely this – What can we do to make a difference? The answer is simple and not aimed at this audience but at those we can engage to join the cause. Stop criticizing from the sidelines and doing nothing! Get educated about issues such as sustainable development, poverty reduction and good governance and what is being done to promote them. Get involved. Send a check to the United Nations Population Fund to help end fistula.[xxii] Quit your job with that big oil company and plant a tree - or at least watch *The Inconvenient Truth.* Join Vandana Shiva's crusade against Monsanto and genetically modified organisms (see Holmquist and Khardalian 2005, Zilberg 2007).[xxiii]

In the end what is required is nothing short of a change of consciousness. This paradigm shift is already heralded in the one million signatories to the Bali PrepCom IV campaign slogan which reads: "We the people believe another world is possible". Indeed, our collective future lies in the state, the individual, development agencies, and organizations such as the IMF and the World Bank to engage a new paradigm of ecological economics beyond the 2000 Quality of Life

model (see Dasgupta 2004). We have no choice but to place the protection of the environment, and our relation to it and each other, above any form of measurable value, GDP or otherwise.

Notes

[i] It is not the purpose of this paper to lay out a review of the emerging literature on happiness or well being or to theorize a critique of GDP viz. a viz. GNH. Nevertheless the issue of happiness has become the subject of fundamentally important research and debate as scholars turn there attention to the fact that rising GDPs have not led to an increased sense of well being in Western societies and that in fact there has been a rise in depression and distrust. For key discussions in academia and the mass media, internet surveys of happiness and emerging national indexes see Blanchflower and Oswald on the u-shaped age distribution of happiness (2007), also Diener (2006), Veenhoven (2002) and the following internet based resources Bev (2007), Kearns (2007), and Suskind (2007) with their web addresses given further below. The issue has achieved such importance that in Britain the government established the Quality of Life Policy Group which explicitly aims to focus on General Well Being (GWB) as opposed to GDP while at Cambridge University an Institute of Well Being has been created and from where the Standard Happiness Questionnaire is conducted which adds rigor to the UK Happiness Poll, see http://news.bbc.co.uk/no1/shared/bsp/hi/pdfs/29_03_06_happiness_gfpoll.pdf.

For accessing some of these reports and commentary on the emergent literature and phenomenon see the following articles on the following web sites: on British happiness at http://news.bbc.co.uk/1/hi/programmes/happiness-formula/4785402.stm and http://news.bbc.co.uk/1/hi/programes/happiness-formula/4771908.stm, on measuring GNH at http://moldova.blamfluie.com/2007/10/22/lets-measure-gross-national-happiness-5211059.html. See The Happiness Institute's web-site at http://www.thehappinessinstitute.com/weblog/index.php/2007/11/02/measuring-happiness-and-satisfaction/. and the commentary on the Happy Planet Index at http://www.bravenewtraveller.com/2007/10/24/why-the-GDP-says-little-about-happiness. The Indian Economy Blog has a useful if superficial critique of GNH at http://indianeconomy.org/2005/10/20/gross-national-happiness-is-grossly-silly/. Perhaps one of the most important articles in terms of bringing attention of GNH into the mainstream media concerns Andrew Revkin's article on the psychology of happiness at http://www.timesonline.co.uk/article/0,2099-1793873_1,00.html.
Also see, the International Society of Quality of Life Studies at http://www.cab.vt.edu/market/isqols and Seligman's web site on positive psychology at http://www.positivepsychology.org.

[ii] This does not mean however that the World Bank's energy policies are remotely helpful for environmentalists attempting to shift economic policy and funding towards protecting the environment. Indeed, the ongoing conflict between the World Bank's policies and the Extractive Industries Review

chaired by Emil Salim, former Indonesian Minister of the Environment is a case in point. While environmentalists continue to call on the World Bank to halt and phase out support for the exploitation of non-renewable energy and criticize the institution's comparative commitment to increasing its assistance to renewable energy projects, the World Bank's position is that these developing economies depend on extractive industries and hence established energy based policies have to be continued. The antipathy between conservationists and such organizations is of-course considerable but the claims by the World Bank spokesman in advance of the International Conference on Renewable Resources in 2004 Woicke as to environmentalist hypcoricy are patently absurd, see http://www.commondreams.org/headlines04/0605-05.htm. There, Woike argued that "Environmental advocates who favor new, expensive technology cannot ignore the millions of people who are consigned to clear-cutting forests for lack of low-cost energy options" First of all, it is not so much the poor who are responsible for the massive scale of clear-cutting as large companies. Second of all, they have little or no access to any form of energy outside of wood or kerosene. Third, alternative funding it is not about promoting new and expensive technologies. Worse still, the World Bank's main renewable energy projects still support the construction of dams which are anathema to environmentalists. The overall result is that regardless of the good will factors built into the WB 2000 model, traditional energy based oligarchic GDP centered development business continues as usual with predictable effect on the environment and GNH.

[iii] It may well be that an effective environmental awareness which can force the state over the tipping point as far as coming to grips with the crisis will only emerge in future decades when today's youth en mass take it upon themselves to enter politics and government and engage in business and the media as eco-activists though there is considerable emerging activity in civil society in general and in protest activities led by present day activists (see, Guntensperger 2007, Simamora 2007, Soemarwoto 2007, Winarti 2007). To that end it is teachers in the classrooms of today who are the de facto leaders the Indonesian eco-revolution one or two decades down the development road (see for instance, Kochar 2007). It is within such future contexts no doubt that GNH will find fertile ground to flourish.

[iv] Josh Kerns ponders the question of whether there is a link between monetary wealth and quality of life and the dominant ideologies and practices of development institutions in a simple but useful way as follows: "I pose this question because mainstream economic theory and the policies promoted by international "development" institutions such as the World Bank, IMF and WTO, government agencies such as USAID, various UN programs, and the majority of NGOs assume that monetary wealth and human well-being are tightly coupled, even synonymous. Of course, this assumption flies in the face of common sense. One need only know of a miserable rich person in order to cast doubt upon its validity. So what gives? The first thing to understand is that the doctrine of economic growth is sacrosanct in the mainstream paradigm that dictates how these "development" bureaucracies function. The idea is that if the economy grows everyone will get richer and thereby become better off. However, one obvious reality that has played itself out in the decades since this ideology has taken hold is that the rich have gotten

richer much faster than the poor. Simultaneously, the growth economy has eroded environmental quality on a massive scale worldwide. How can we have an infinitely growing economy on a finite planet? I have no idea - but try explaining this to a university economist or a World Bank bureaucrat and see how far you get". http://www.bravenewtraveller.com/2007/10/24/why-the-GDP-says-little-about-happiness.

[v] Naturally it should be emphasized that the term "sustainable development" being dependent on future natural resource extraction makes no sense in that it is not sustainable in that development of the economy constantly degrades the environment and simultaneously expands consumption and inequality. For the strongest anthropological critique of development more generally and sustainable development specifically, see Escobar (1995:154-211) and Leff (1992:62). As Escobar proposes, following on Ferguson (1990) what is needed is decentralization, local empowerment, debureaucratization of environmental management, cultural and political autonomy and pluralism and ecological productivity. Here Ferguson provides a detailed anthropological critique of how development allows the state to penetrate and control relatively marginal peoples and areas and in effect de-politicize that which is a deeply political process (1990).

For sound if now dated bibliographies on sustainable development see Seda (1993:150-152) and Valentine (1996). Seda's useful bibliographic compendium is divided into topics such as energy and conservation, biodiversity and extinction and tropical deforestation amongst others. For the more recent literature on developments in sustainable livelihoods, community forest management and investment in this emerging industry in the Indonesian and Asian and other contexts, see Murdiyarso and Herawati (2005), Murdiyarso and Skutsch (2006), Rachmawaty et. al. (2005) and Rochadi (2007). Also see Kusters and Belcher (2004) and Michon et. al. (2005). For a useful logical framework laying out specific goals, assumptions and objective indicators for verification see Annex 1 in Tacconi, Obidzinski and Agung (2004:62-76). For a few of the important anthropologically oriented analyses of aspects of the history of the Indonesian timber oligarchy, see for instance Barr (1998), on the political economy of the oil and timber industry in the Soeharto era, see Ascher (1998), and finally, on the forest fire crisis also in the 1990's, see Gellert (1998). If anything decentralization in the post-Soeharto era has accelerated and intensified the environmental crisis, see Resosudarmo (2005), Gellert (2005) and Obidzinski (2005). On institutional transformations required and the challenges faced therein, see Isna (2005). For two of many important studies on sustainable development, see Sayer and Campbell (2004) and CIFOR (1995). Finally, for global challenges and issues relating to sustainable development see the on-line information on the International Relations Resources
Center's web site at
http://www.wadsworth.com/politicalscience_d/special_features/exit/ir/gci/gxi_infotrac2_2.html

[vi] For an important recent study on Islam and ecological awareness, see Budiman, Arief and Sambas (2007). In my de-accessioned article "Sustainable Development and Islam" on the Jaringan Liberal Islam

web site, an earlier version of this paper, I sought to stimulate Islamic intellectuals and activists to take up the environmental cause (Zilberg 2006). Indeed, in countries such as Indonesia, a faith based ecological awareness is the nation's strongest gambit for advocating, instituting, implementing and evaluating a national policy of sustainable development, see Soedarjo (2007) and The Jakarta Post (2007a). The advantage of this eco-spiritual and ecumenical approach is that it simultaneously strengthens pluralism and tolerance and ultimately brings together rather than divides local, national and international communities.

[vii] Achieving the goals for the development mission remain as elusive and yet as strongly committed to and contested as ever. See Easterly (2006) as compared to AusAID (2005), Department for International Development (2006), The World Bank (2006), Wilson (1953) and *Our Common Future* [*The Brundtlandt Report*] (1987). Also see Sen (2006) and Kristof (2006) and the all important discussion between Hilary Ben and William Easterly in "Is foreign aid working?" published in *Prospect Magazine* (2006).

[viii] Benjamin Friedman in *The Moral Consequences of Economic Growth* (2005) connects the progressive attainment of liberty and dignity with economic growth. In proposing more equitable and sustainable growth, GNH policies and programs aim to achieve those same results through more equitable growth. For an extensive literature on the issue of quality of growth and economic growth see the Global Policy Forum at http://www.globalpolicy.org/socecon/develop/quality/archives.htm

[ix] During November, 2007, Indonesia has hosted workshops for representatives from developing countries with tropical forests to put forward the REDD proposals at the UNFCCC (Sinamora 2007c, f). The purpose of these proposals is to secure funds from developing nations in order to conserve and regenerate forests and peat lands and thus tap into the carbon emissions credit system (see Franklin 2007, Murdiyarso et. al. 2006, Sinamora 2007d). The issue of climate change, environmental protection and carbon banking has become a daily subject in the international and Indonesian media and is generating increasing awareness in civil society of the complexity, as well as simplicity, of the issues at hand (see for instance Butler and Conway 2007, Godoy 2007, Gunawan 2007, Hotland 2007, Lassa 2007, Sinamora 2007 g, The Jakarta Post 2007, Wibisana 2007).

[x] For a concise and accessible timeline of SD see the IISD website. For a useful source on sustainable development, see the Sustainable Development Communications Network, http://www.sdcn.org/.

[xi] For the Asian context, see Emil Salim's on-line address *Asia – The Challenge to Sustainability* at http://www.apo-tokyo.org/gp/manila_conf02/resource_papers/narrative/dr_emil_salim.pdf.

[xii] This is laid out clearly in the on-line article *The Challenge to Sustainability: Looking Beyond the Johannesburg Summit on Sustainable Development.* Available on line, it provides clear if relatively

idealistic directives for the Asian context as expanded further upon by Emile Salim in the science blog on Sustainable Development.

[xiii] As of yet, sustainable development is essentially a mirage (Dilorenzo 1993) in which the millennium goals and ideals for development as advanced most recently by Sachs (2005) are not being achieved (see Easterly 2006, Prospect Magazine 2006 and Sen 2006). The correspondence/article between William Easterly and Hilary Benn which represents something of the important debate that resulted, "Is foreign aid working?", is available on-line at http://www.prospect-magazine.co.uk/article_details.php?id=7914. For the New York Times review of Easterly see Kristof (2006).

[xiv] This driver should be matched if not exceeded by local budgets in which districts implement sustainable development programs as part of the requirement for improving local and state governance. Moreover, an econometric analysis of the correlation between FDI and poverty reduction in Indonesia shows no positive correlation (Yuliati 2006) while FDI does increase economic performance as measured by GDP as would be expected (Setiawan 2006).

[xv] Since 2005, the debate over palm oil plantations has achieved ever larger proportion in the media as civil society has become increasingly aware of the scale of destruction that has been incurred through the industry. With attention now focusing on climate change and Indonesia because of the upcoming UNFCCC conference in Bali in December, it has come to increasing attention in the media particularly as regards peat land conservation (see Franklin 2007). Recently scientists have begun to propose that industry and conservation can work together to support biodiversity (see Butler 2007).

[xvi] See the Aceh Forest and Environment Project at www.acehforest.org. Other programs are profiled on the LEAD website at www.lead.org. Also see www.iisd.org and www.eldis.org.

[xvii] The scale of international attention on climate change and the environment and its reach into civil society through the media is significant. Take for instance the recent reports which focus on these issues in the following widely read publications this year: "Climate Change: Mercury Rising" in *Asia Views* in May-June, "Cleaning Up" in *The Economist* and "The Big Thaw" in *National Geographic* both also in June, and finally the special issue *Heroes of the Environment* in *Time* in October.

[xviii] See "11 Solutions to Halting the Environmental Crisis." Yifat Susskind. Alter Net, October 31, 2007.

[xix] Thus the subject of the International Investment Summit in Jakarta, November 5-7, 2007 which focused on revitalizing the energy and mining sectors as well as accelerating clean and renewable energy development.

[xx] After finding Indonesian students to be unconvinced about the potential for eco-friendly business associated with carbon banking initiatives, KEHATI, The Indonesian Biodiversity Foundation, Founded by Emil Salim, organized the seminar Business and Biodiversity: Challenges and Opportunities for Growth, Thursday November 8 2007. Regardless of the poor start in demand driven change (Sinamora d), the focus on the issue of the environment in the media, in schools and in civil society is increasing to such an extent, essentially because of the upcoming UNFCCC conference in Bali, that Indonesia presents an exceptional context for the potential emergence of an environmental social movement. It remains to be seen whether the conservation groups such as Wahli, Greenpeace and Friends of the Earth amongst others will be able to act in concert with other groups and society at large so as to put sufficient pressure on the state and business interests to get serious about protecting and sustaining the environment (Winarti 2007).

xxi Also see Sinamora (2007g), Guntensperger (2007), and Soemarwoto (2007).

xxii[xx] For effect, as it relates to promoting GNH in the here and now through the simplest direct action, I raise the issue of fistula and the work by the UN and other organizations to end fistula by providing medical services to heal the women suffering from this condition. I can think of few more distressing conditions which prevent any possibility of happiness nor of the relatively small donations required for the simple operation required to solve the problem and thus allow these women to regain their dignity and get on with their lives. For information contact the United Nations Population Fund at fistulacampaign@unfpa.org and donations@unfpa.org

xxiii While the issue of intellectual property rights and genetic resources has not been addressed here it is a critical issue for those working in agriculture, forestry, conservation and human rights. For critical discussion on the topic of biotechnology and the new term "bio-McCarthyism (see Leisinger's "Biotechnology and Food Security in the 21st Century, the PDF file being available at http://www.cigar.org/biotech/repo/00/leising.pdf. As for patenting existing genomes in nature, the U.S. Patent and Trademark Office's position, contrary to the case at The Hague (see *Bullshit*), is clear, it is not legal as noted by John Doll, director of biotechnology in "Talking Gene Patents" in *Scientific American* August 2001 at http://www.sciam.com/article.cfm?articleID0008148c-3DSD-1C6F-8449809EC588EF218-cat10=2.

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