

TUESDAY PM WORKHOP #1: GLOBALIZATION & WELLBEING

Workshop Session	1 (Tue)
Names of presenters	John Helliwell, Mark Mancall, Mike Salvaris (chair)
Name of rapporteur	Johannes Hirata

John Helliwell:

Globalization means “borders don’t matter anymore”

Surprising data show that intraregional trade is much times bigger than interregional trade.

these “border-effects” are much bigger for small than for big countries

consequence: gains from trade are already exhausted by intraregional trade and none are left for interregional trade

higher social capital regions have higher economic growth, but this is not necessarily what matters; yet, subjective wellbeing (SWB) was also higher where social capital is high; you cannot substitute trust by law enforcement;

small countries don’t need to be as rich as the big OECD countries, rather, they should be as happy as the happiest countries; in fact, research shows that the happiest countries are the rich European countries;

more trade will not generate more growth that people neither need nor want;

people are happy when they face reasonable challenges, not when their life goes effortlessly;

people systematically overestimate the happiness they will get from particular acquisitions;

people put negative value on the income of their neighbors → “keeping up with the Joneses”;
income increase of one person has negative effect on the happiness of others; by contrast, increasing social capital has positive effects on others;

Mark Mancall

Stanford is an interesting place to look at globalization, very different from Canada; Stanford university itself is strongly supportive of globalization;

we are here all concerned with local activities, but nobody talks about politics; as long as you stay below the power radar, you are OK, but once you get caught by the power radar, you are in trouble;

globalization creates local benefits in the short term, but not in the long term (e.g., jobs that had been created in Mexico or Korea are moving to China);

we need to pay attention to today’s young who will be the decision makers tomorrow;

universities structure the world for their students, through the contents but also through the division of knowledge into disciplines; it is vital to teach students that what they are being taught might not be the truth;

when the King of Bhutan started talking about GNH there was an implicit challenge to reconceptualize economics itself; we must pick up this challenge; Lyonpo Jigme Y. Thinley’s speech this morning went a long way reconceptualizing economics;

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Mike Salvaris, Measuring Progress: the view from Australia

research interest: how can communities develop their own conceptions of wellbeing and implement and measure it; involving citizens in a participatory process;

1. we must develop a comprehensive conception of human development
2. importance of describing a just and sustainable society in a concrete way;
3. the tail must not wag the dog: indicators must not replace political deliberation;
4. not everything that counts can be counted and not everything that can be counted counts;
5. the measures that matter must be selected in a democratic process; trust in politicians is low;

democracies must ask themselves which kind of society we want to live in; we tried to break this question down;

citizens are not only customers for government services, nor voters who cast their vote once in 4 or 5 years, but they play many other roles as well;

statisticians tend to be conservative, relying on familiar measures; quality of life is not well reflected by GDP, it is a matter of the perceived quality of living conditions;

for democracy to be healthy, it needs to be dynamic;

when people are asked about their priorities, they give surprising answers, with material and financial values far behind ideal values (trust, honesty ...);

what matters is that people authentically value the life they lead, not whether some indicators are in the green zone;

discussion

Mark (Belgium): it seems that the problem is always the same: we have too little money to invest into good things; money is the medium that drives globalization, creates inequalities etc.;

Marilyn (B.C.): concerning cultural and social capital: do we have a consensus on the conception of social capital?

answer by J.H.: yes. academic distinctions are expert debates, the common sense meaning should be clear; distinction between a bonding social capital (relationships between equals) and bridging s.c. (relationships between unequals) has more positive effects;

Pradhad Singh (India): notion of wellbeing may differ among groups within one nation: how can you measure that?

answer by J.H.: research is still on the way. one can criticise (1) variability of conceptions (2) subjectivity, (3) lack of correlation of SWB data with suicide rates; however, analysis shows that suicide rates are influenced by the same factors as SWB (though with the reverse sign), indicating that SWB indeed measures what we want to measure;

comment by M.M.: but why do people chase material goods when it doesn't make them happier?

J.H.: people simply have wrong ideas about what makes them happy

question from audience: how do you assign weights to the various indicators?

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M.S.: we prefer not to design one big, aggregated indicator; the only benefit might be to attract public attention;

J.H.: you can derive the weights from the data by statistical method as the Economist Intelligence Unit recently did (in a questionable way though);

John (New Brunswick): does sustainable and equitable development not require a major shift in the world view?

J.H.: yes, definitely. we have been using GDP because it was the only thing we knew how to measure; now that we can measure SWB this is actually changing the way we look at almost everything;

question: how do social indicators vary across buddhist countries?

M.M.: cannot answer the question; however, one must also discuss urgency: when people suffer from hunger, basic needs must be met before talking about social indicators of subjective wellbeing;

Jean (France): examples of TV: gap between what people want and what makes them happiness; things that bring happiness are usually challenging and difficult and not easy; how to deal with it?

J.H.: preference of the immediate over long run is a real psychological phenomenon;

audience comment (Bhutan): people want TV even though it doesn't make them happy; people have to learn to deal with it; Bhutanese say they are happier because TV opened the world to them; before TV, foreigners said "people in Bhutan are not free", now they are saying "TV has spoiled Bhutan"; but TV is also bringing materialism;

John (Boston): would the factors contributing to happiness be the same in poor as in rich countries?

J.H.: there are some differences; e.g., above the average income, gains in income do not matter in rich countries, but they do in poor countries;

Powdyel (Bhutan): globalization is not a phenomenon of the last couple of years: what about old philosophical ideas?

M.M.: the commercialization seen today is in fact new;

J.H.: people who look for happiness do a bad job at finding it; the most happy people are those who help others, not those who are chasing their private happiness;