

# CONCLUSION

## ENTER THE HIMALAYAN CONSENSUS MANIFESTO FOR A PEACEFUL REVOLUTION

*Unite for the benefit of your own people . . . unite for the benefit of your children.*

— Bob Marley, “Africa Unite”

### ***Preamble***

#### ***The Call for a Peaceful Revolution***

The word “revolution” is usually related to violence. But what the word really means is the full turning of a wheel. It is a call for significant change. This manifesto is not about violence, but calls for change, to prevent violence.

The points laid out in the manifesto are neither new, nor the author’s alone. Rather, they reflect a collective view that has been voiced before. In fact, it has been screamed loudly time and again before television cameras during massive protests accompanying World Trade Organization, G8 and World Bank-International Monetary Fund meetings in Seattle, Genoa, Prague, Quebec and Cancun. Its chief advocates are a transnational global movement of loosely linked or sometimes unconnected NGOs and social-action interest groups. They have come together repeatedly as a single voice to express angrily the points coolly set forth below. The problem is that few have bothered to take these voices seriously.

Finally, a year after the U.S. sub-prime crisis erupted, Wall Street collapsed in the autumn of 2008. The cataclysm took down with it the financial institutions and values that have underpinned the post-Bretton Woods financial system and the Washington Consensus for development. If the movement’s case, which it had voiced over the past decade, had been heeded, the global financial earthquake of 2008 might not have happened. Now, maybe someone will listen.

***Clarifying Globalization***

The following manifesto is not about anti-globalization as a movement. It focuses more on redefining the movement. The terms “globalization” and “anti-globalization” are often used out of context. Actually, globalization has been with us since the opening of trading routes in ancient times; it isn’t anything new. The key question revolves around the right or wrong kind of globalization. More specifically, it centers on whether developing nations—and even underdeveloped regions within developed nations—face a new form of colonization in a contemporary context. The perpetrators use abstract tools such as financial levers and brand worship inculcated through modern corporate culture and mass media.

***North vs. South***

Bretton Woods created the “North,” which consisted of social policy states, and the “South,” comprising social development states. All fell under the dominant influence of the United States, exercised through highly conditional aid dispensed by the World Bank and the IMF. The alleged goal: liberalization of trade and finance. However, from the 1980s on, the approach has promoted the expansion of global capital through shock-therapy development programs at the expense of social development and human welfare. This form of so-called globalization has favored a deregulated international system that serves corporate profitability much more than the interests of ordinary human beings. Another casualty: the environment.

***Why Anti-Globalization?***

Let’s start by asking: What is the anti-globalization movement? Why is it called anti-globalization? Members of the movement use mobile phones, the internet and digitized messaging to organize protests. These are the very tools of the proponents of so-called globalization. One might ask: “How can this movement be against the implements through which its members organize themselves?” Others could query: “Who can be against such a wonderful thing as ‘globalization’?”

It may help to stop using the terms “globalization” and “anti-globalization” altogether. The latter, in particular, obscures the movement it seeks to define, which is a global, seamless, genuinely democratic force for social justice and the nemesis of multinational corporate culture, neo-liberal economics and neo-conservative politics. It calls for a redefinition of global values—corporate, social, environmental and governmental. In turn, it seeks to establish new economic and political paradigms.

***A Movement for Global Justice***

Perhaps these global grassroots social-action groups and NGOs should be more usefully called the new “global justice movement.” They organize protests among the globally disenfranchised because they are denied access to the mainstream international media, which prefer to dismiss these voices of discontent. In fact, we have stopped having truly meaningful debate in our corporate-controlled media, which frame politically correct discussion in the narrow terms they are comfortable with. The emergence of Al Jazeera in both Arabic and English networks is one response to such developments. We don’t ask penetrating questions anymore and accept reports in the mainstream Western media as truth, and then parrot it.

The push for global justice is united in one aspect: its proponents’ opposition to the expansion of a system that promotes corporate-led globalization at the expense of social goals such as fair trade, social justice, ethnic identity, community sustainability, national sovereignty, cultural diversity and ecological health. The movement has a transnational vision and spirit. So far it is organized to oppose hierarchies and keep decision-making local and focused on specific issues. Its moral vision is that international grassroots values will ultimately prove to be more powerful than the instruments of financial dominance used by the institutional, corporate and political forces arrayed against them. Rather than the globalization of brand association and a consumer class driven by materialist values, the movement calls for the spread of environmental protection, health care, availability of pharmaceuticals, and access to food, clean water and education.

***Article 1:***

***The Washington Consensus for development has failed—it has produced a global backlash. Every nation must forge and tread its own path.***

Washington Consensus formulas fail because they force economic and financial models upon societies whose different cultures and conditions render those paradigms inappropriate. Capital accumulation, conspicuous consumption and the erosion of indigenous cultural values do not assure personal happiness. Economic development should improve the overall quality of life, not undermine it.

***The Washington Consensus Increases Poverty***

Experience has shown that Washington Consensus schemes do not eliminate poverty, but only create more of it. The International Monetary Fund and the World Bank dispatch consultants to underdeveloped countries facing crises of social poverty or natural

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catastrophe. The specialists are armed with economic theories but little knowledge of local conditions, social undercurrents or the fundamental problem of finding enough to eat. World Bank and IMF formulas fail to consider such factors as transportation costs, price hikes and the affordability of education. They neglect the reality that even a tiny shift in such factors can disrupt or even destroy the lives of those getting by at, or just above, subsistence levels.

### ***Misguided Impositions***

Attempting to apply theoretical models to cultures and ethnic groups for whom they have no relevance, largely to prove a point, is without value and is often counterproductive. In many ways, the Washington Consensus's adherence to free-market theory and democracy is as deluded as the Soviet Union's communist policies of another era, which insisted that a centrally planned, top-down model was the only acceptable one. Both are ideologically driven—and misguided in trying to impose on others a fixed set of beliefs and practices whether these are locally appropriate or not.

Externally imposed, culturally alien financial levers are usually ineffective. They impoverish people, bringing economic and social disaster. Western news networks like CNN and the BBC report the calamities. People sitting comfortably in living rooms in the developed world watch the programs, comment on how terrible things are and ask how they could have happened.

### ***Every Nation Has Its Own Appropriate Model***

Each country is unique and has its own appropriate model for development. There should be no single template for economic, political or social progress. Washington Consensus economists tend to be doctrinaire in their adherence to models such as “privatization,” “liberalization of currency and trade” and freeing price controls. While these models may suit one country at a certain point in time, they may have little of practical value for other nations.

Outside ideas and theories cannot be brought into a local context without absorbing or being absorbed by it. Only in this way can there be a merger—and in turn positive evolution—of ideas and approaches, rather than self-defeating conflict. The Washington Consensus, however, is notably intolerant of localism. Academics in the United States look at the world's problems from detached perches in their universities and think-tanks. Their research is often government-funded with a specific political or ideological agenda, which is reflected in the work they produce. Their models are

grounded in classic neo-liberal economics, which comes down to an assumption of greed as the key driver.

The Western specialists seem to believe they have all the answers. When their theories are tested in developing countries, they prove unable to cope with prevailing realities. The result: programs that undermine social self-esteem and emasculate ethnic identity. When local people's way of life is threatened, they will fight back.

### ***Adding Need to Greed***

What we need to add to the supposition of greed is the assumption of need. All people are needs-driven, and these requirements are not exclusively of a material nature. The need for security, sustenance, community, identity and spirituality can be fulfilled through other forms and these must be factored into the economic, social and political equation.

There are universal values—equity, community solidarity, justice and democracy. But the way people construct their societies and principles of sustainable development may be different. Because there are no black-and-white answers when it comes to development, experimentation is necessary.

### ***Re-Engineering Systems***

Global economic and financial systems must be re-engineered so that they no longer enforce growing income gaps between the elite and the poor. Instead, these systems should sustain and enhance our existence on the planet. Driven by short-term material needs fueled by media promotion of consumer-brand culture and melting-pot values, we are rapidly destroying our future through environmental desecration and neglect.

### ***Article 2:***

***Grassroots approaches are needed to solve real problems. Globalization must be balanced to protect ethnic diversity and indigenous cultures.***

Too often, economic theory neglects actual people, culture and the environment. It appears ready to destroy anything for material gain. This is the inherent fault of a philosophy that sees the maximization of profit as the sole basis of business. Adam Smith came up with the notion and we are stuck with it because none of the big-name academic economists have bothered to challenge it. Yet human beings are much bigger than mere money. A caring person takes responsibility for society, for the next generation and for the environment. Economic theory leaves the compassionate side of human nature out of the development equation. It's time to put it back in.

***Sustainable Foundations Needed***

Sustainable economic foundations are essential to the survival and evolution of all cultures. Idealism itself is not enough. We need to adopt pragmatic approaches and techniques to realize our ideals. If the economic rug is pulled, the remnants of cultures will be relegated to museums or become funky artifacts for consumers. But establishing functioning and sustainable businesses can assure that cultures will preserve their identities while continuing to evolve. The aim is to establish bulwarks so that the individuality of each ethnic and cultural group isn't absorbed into the American-style melting pot of accelerating globalization.

***The Right to Preserve Traditions***

Every society has a fundamental right to pursue its own ethnic traditions, lifestyle, culture and beliefs. And preservation of the environment is integral to the sustenance of many traditional lifestyles. Environmental degradation assaults ethnic diversity, whereas the preservation of such diversity can help protect the environment.

Western-dominated international media and education systems subtly suggest to non-Western children that if they cherish their own culture or even skin color, they are backward and should instead connect with the hip, modern mass-consumer culture. The youngsters come to abhor their own heritage and abandon their identity. Meanwhile, in the rich Western world there is an epidemic of depression, personal debt and obesity.

Cultural eradication isn't a prerequisite for modernization. Raising living standards doesn't mean replacing one culture with another. Culture can evolve with economic development and, in turn, provide the fabric to ensure social stability.

***Self-Determination Is Best***

Each cultural and ethnic group is the best arbiter of what is most appropriate for itself. These entities have the right to determine their own future. Instead of imposing external economic or political models, concerned outsiders should focus on providing tools that empower—or re-empower—such groups, thus contributing to their development.

Ethnic diversity is essential. Why should everyone merge into a single melting pot? Of course, if every person were to think alike, it would be easier for multinational corporations to globalize their marketing efforts and cut costs against profits. But is that positive for the survival and development of the human species? Who really wants to become just another consumer zombie? Human beings are

more than statistics. The quantity of life, as measured by the conspicuous consumption of branded goods, does not equate to quality of life. Small can be beautiful, and work done at the grassroots level can change lives for the better.

***We Are All Responsible***

Much of the responsibility for improving things rests with the big corporations and governments. But every individual must also act consciously and responsibly toward our environment to safeguard it. Indeed, each collective action begins with an individual. While much blame can be laid on the value systems of multinational corporations and their top executives, shareholders are also a part of that system. The American dream of achieving material—as opposed to spiritual—comfort has created a global system of conspicuous consumption, feeding into a single, monolithic value order.

***The Melting Pot Stops Here***

The melting-pot ideology, with its commercialized “mainstream” value system, damages ethnic diversity. Many of the world’s social and security problems are reactions against this politically and corporate-consumer-driven attempt to eliminate ethnic diversity through the global propagation and rigid application of melting-pot values. This erodes the defining value of humanity—its diversity of ethnic identities. The melting pot must stop here.

***Article 3:***

***It’s time to revamp the World Trade Organization—and join the Anti-Globalization Breakfast Club.***

We must recognize that nations are not created equal. Some have abundant resources because of their geography, demography or location, while others are deprived of them. There are inequities in terms of education and health-care provision, favorable climate, efficient transport links, and various other conditions. Many developing nations are the creation of post-colonial border demarcations, juxtaposing ethnic and social groups often historically at odds with one another. Unresolved problems and economic structures set up during the colonial era have been extended into our time by Bretton Woods.

***Why Oppose the WTO?***

For this reason, every World Trade Organization ministerial meeting has seen mass popular protests outside the convention centers where delegates from developing countries challenge their counterparts from

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the G8 nations. Just ask the people and organizations demonstrating in the streets. The WTO process is exclusionary and undemocratic. The body has 130 member nations, but meetings involve only 20 to 30 key countries; the other 100 normally aren't even allowed into the room. If these nations are unable to make their points in the conference room, we have to listen to what they are saying in the street. Their voices are real. This is global democracy at work.

### ***Go Back to GATT***

Before the creation of the WTO, we had the General Agreement on Tariffs & Trade, or GATT. It was a flexible system that allowed a number of countries to develop using trade policies and mechanisms of trade substitution. The United States wanted a set of rules enabling it to penetrate the world economy and obtain global leverage. Washington could then create conditions enabling it to legitimize its dumping and monopolize technological innovation with trade-related intellectual-property rights. So the U.S. pushed for the creation of the WTO under the guise of forging global rules to prevent anarchy. Yet before the WTO came into being in 1995, there had been no anarchy.

The GATT's original aim was to create a forum to facilitate free-market access, particularly for developing nations, while avoiding the emergence of regional trade blocs, which might lead to protectionism. In recent years, however, the WTO has increasingly deviated from GATT principles. It has been transformed into a leverage tool for developed nations to practice protectionism in their own markets while instituting policies that have contributed to economic meltdown in many developing nations

### ***The WTO is Losing its Focus and Purpose***

The WTO is less and less able to offer a platform for a meeting of minds between the developed and underdeveloped worlds. Part of the problem is that the organization has been misused by some narrow interests and a few dominant nations to benefit themselves. Instead, the WTO should be functioning as the biggest NGO of all, representing a broad scope of interests. It should fight protectionism not only by the struggling developing nations, but by the developed ones as well. Instead, the WTO has been evolving in such a way as to represent an entirely different set of interests and principles from its GATT origins. Rather than being the mother of all NGOs, it has become the target of their wrath.

What role should the WTO play? Should it be a debating society for a framework of principles, a facilitator for bilateral negotiations,

or a tool of U.S. foreign policy? Will the WTO pursue the original GATT values of free-trade paradigms for equitable development, or will it become a rich-nations' trading club?

### ***Reforming the Organization***

Two approaches need to be adopted. The first is for the WTO to return to the path of trying to achieve the basic GATT principles. That would be the best course, given the organization's existing foundations and resources. If it cannot be done, the WTO would need to re-engineer itself and refocus its functions in order to be effective amid present realities. Its dominant members are locked into an abstraction of academic formulas.

The WTO should not become a "United Nations of trade"—a forum where poor nations can say what they wish, but rich countries continue to dictate policies. To avoid future impasses, this modus operandi has to change. Moreover, horse-trading tariffs and subsidy formulas offer political but not economic solutions.

While the WTO does bring different parties to a single table, developing nations don't always have the resources to resolve disputes with the G8 powers. A key characteristic of the WTO is that it is the only international institution that has a binding dispute mechanism. It can limit trade wars because it uses recognized, legal means to resolve differences, and its decisions are binding.

### ***Bilateral Free Trade Agreements Can De-Politicize Trade***

Two-way FTA arrangements and networks could be used to cushion the impact of sudden changes instigated by G8 players, such as the U.S., which often politicize trade. They could be of particular benefit to developing countries that don't share Washington's political views, but are unable to withstand its trade leverage.

A return to the GATT principles of supporting bilateral and multilateral agreements would be a step in the right direction. But a distinction must be made between those based on free trade and those the U.S. wants to push, together with European Union and partnership agreements. Such multilateral and bilateral accords are for economic development of the different partners going beyond free trade. For example, the option favored by Venezuela and Bolivia is to have a development agreement, not just trade accords. This is what people in the South are looking for—South-South deals that are mutual and complementary. Many fear that U.S.- or E.U.-initiated bilateral accords would be just as discriminatory as those done under WTO auspices.

***We Need Regional Integration***

Organic regional integration through organizations such as ASEAN and the East Asia Summit could provide better foundations than the WTO for addressing concerns meaningfully. This is especially true as the WTO is increasingly perceived as working in the interests of the industrialized powers, and against those of the poorer nations.

***Article 4:***

***Give priority to protecting the environment. The Big Three polluters—America, China and India—must lead the way.***

Among the most urgent international issues are global warming, our environment, and the dangers presented by countries that have refused to sign the Kyoto Protocol on the Environment. If the ozone layer continues to widen, our glaciers will melt. The Brahmaputra, Ganges, Mekong, Yellow and Yangzi rivers all have their origins in the Himalayan glaciers. If they melt, two-thirds of humanity will have no water to drink. Yes, we can save and give our children money. But in the future, will we be able to give them water?

***Materialism and the Environmental Crisis***

The world must avoid environmental desecration. We all know the damage being caused by the shortsighted pursuit of material wealth by certain individuals and corporate interests. Without a clean environment, it does not matter how many material possessions or how much money we have in the bank. They are worthless if we step out of our homes and breathe polluted air. We need to curb this excessive and irresponsible desecration of our world. Otherwise we will not have a world to live in.

The technology exists to create a plethora of alternative energies. It just has to be commercialized. What's needed is a re-think of corporate values and an institutional financial framework to achieve greater social benefits rather than pure self-interest. Shareholder value should be linked with increased social worth. Alternative-energy development can be financed, if relevant institutions change their outlook and support the effort. It comes back to institutionalizing new values.

Environmental respect is the foundation for creating a new society, a future for subsequent generations. We must protect the environment and not sacrifice it for short-term comfort or material gain, which will only be spent tomorrow. By sacrificing our natural environment, we would be doing the same to our future. By saving it, we would be protecting our own continued existence.

***Leading Nations Must Lead***

How can this be done? With major powers and polluters like the U.S. refusing to sign the Kyoto Protocol, how can we begin to regulate our corporations and the interest blocs that are now driving the process of global warming?

Washington refuses to sign until China and India accept conditions classifying them as developed rather than developing nations. These are the three biggest polluters on the planet. Can their leaderships not put aside narrow concerns for the greater interests of humanity and the survival of their own children? It is time for the leading nations of the world to lead in a positive manner. They need to extend their agendas beyond military action, industrial output and consumer consumption.

***Article 5:***

*The micro-credit revolution works. Small finance is beautiful and can improve lives by restoring the self-respect of the poor.*

Citizens of rich nations can march in the streets if they cannot get a job. People in underdeveloped countries can march in the gutter, but there is still no job. Because orthodox economics recognizes only wage-employment, it has left no room for self-employment. The time has come to put aside orthodox economics. Self-employment is the quickest and easiest way to create employment in the developing world. The poor must be encouraged and stimulated to create their own jobs. But since economic textbooks don't recognize the existence of the poor or their rights, there are no institutions and policies to help them. We need to create new institutions by shunting aside the old.

***Give the People Credit***

Let's start with a new principle. Credit is a fundamental human right. Institutional economics trains one to think in terms of millions and billions of dollars to finance big infrastructure projects. Eventually, the trickle-down effect is supposed to reach and help the poor. But how can it? All the big corporations, consultants, contractors and sub-contractors associated with granting or financing institutions have to get their cuts first. What is left for the poor?

For most impoverished people with a per-capita income of less than US\$200, access to a mere 10 or 20 dollars can change lives for the better. But how do we get them even that small amount of money—and guide them intelligently on how to use or invest it? This is where micro-finance comes in. Its value needs to be recognized, and new systems created to support it.

***Creating New Institutions to End Poverty***

To reduce and eliminate poverty, we must ultimately go back to the drawing board. Most people in developing countries don't really need foreign expertise. How can IMF and World Bank advisors give counsel on the economics of business in a village when they have never lived or worked in one? Rather, the peasants need opportunity. The concepts and institutions that helped create poverty in the first place cannot be used to end it. So new institutions are essential. This requires fresh concepts and values.

***Empower the Poor With Trust***

Try this assumption: The poor always repay their loans, while the rich often don't. Why? Somebody receiving a micro-credit loan is being given not just money by a lender but social trust. People should be re-empowered with self-respect, not funding alone. A poor borrower sees what the rich have, and have failed to use. Given a chance, he will be determined to make the most of each opportunity given him.

Rather than tailoring people to the rules of financial institutions, isn't it time to customize lending to the needs of people? With micro-finance, amounts are so small that weekly repayments are affordable. In turn, new criteria must be adopted to evaluate the results of lending policy. Samples: Do recipients have a roof over their heads, warm clothes for winter, safe drinking water and sanitation? Are their children in school?

***Towards Compassionate Corporate Value***

Taking the process a step further, we need to re-engineer corporate culture and the very notion of shareholder value. In the 1980s, corporate performance was all about profit and loss. In the 1990s it was evaluated with the concept of shareholder value—a calculation of how much money the management could spend on luxurious living and inflated brand advertising. By 2008 the accumulated effect had fed the collapse of both global financial institutions and markets, throwing the entire Bretton Woods system into crisis.

Profit maximization is a good thing—let's be clear about that. But to think that only greed and the invisible hand should drive our world is as simplistic as believing that socialist idealism will solve humanity's problems. A middle way is necessary. Rather than excessively emphasizing corporate shareholder value, we should adopt a new concept of compassionate corporate value. A company should be assessed in terms of what it does for the society or societies from which it benefits. In a broader context, the firm's worth should be

linked to what positive impact it has on global society and its efforts to protect our environment for future generations.

***Create Compassionate Social Businesses***

It is commendable to create trusts and for foundations to give money as charitable donations. Yet charity can be used only once. Once it has been given, a gift is gone. So we need to develop the system and merge charity with business so that support for the needy can be sustainable. Social businesses adopting the concept of compassionate capital can recycle profits into more social-action initiatives. These might include ventures to offer affordable health care to the poor, to bring forests to countries without them, and to provide self-employment to drug addicts and take them off the streets. Such businesses can represent a new form of social shareholder value, be listed, raise capital, and benefit more people.

Isn't that what profits should be all about—to benefit people? We just need to extend the concept from personal advantage to a broader social benefit. We should popularize social businesses through media support and develop institutions to achieve sustainability. Such compassionate capital can be used to advance social stability and avert chaos.

***Article 6:***

***Societies should redefine their ideas about success. Bhutan's goal of "Gross National Happiness" provides valuable lessons.***

In economic terms, it is necessary to re-examine what constitutes national and individual success—as well as the social value of happiness underlying both. Should the success of a nation or an individual be measured in material, quantitative terms alone? Today we gauge accomplishment by how much gross domestic product a country racks up, or how many luxury goods an individual acquires. Socio-spiritual happiness has no place in the measurement statistics. Ironically, in orthodox economics it is disregarded as both an assumption and a goal. However, such well-being should be both the underlying assumption and ultimate goal. For what is the point of material quantitative growth if it does not bring happiness or an enriched spiritual life to both nations and individuals?

***The Search for Balance***

It is true that material pursuits have produced economies of scale, facilitated international trade and improved many people's lives. That is not being questioned. But to strive for material progress alone means to live an unbalanced life. A blind quest for consumption and

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material accumulation leads to excess, distorts priorities and creates frustration instead of happiness. At the same time, we are desecrating the environment, destroying our planet, and leaving future generations without drinkable water or breathable air. So is the blind pursuit of materialism really worth it—or is it time to adjust our basic values and find a middle path of balance?

Indeed, are we living meaningful lives, or merely supporting a system that bestows comfortable lives on certain elites at the expense of others? Can we find a system of balance, a new value order? That depends on whether we can come to measure national and individual success in terms of socio-spiritual well-being—and whether that can be sustained on a planet of quickly diminishing resources.

### ***Gross National Happiness***

The concept of “Gross National Happiness,” or GNH, originated in the tiny Himalayan Kingdom of Bhutan. The concept ventures to offer a new value paradigm by turning orthodox economic GNP on its head. GNH has four recognized pillars: economic development, environmental preservation, cultural preservation and good governance. Bhutan questions all the economic assumptions that underlie the post-Bretton Woods order by presenting a potential paradigm for re-evaluating the way we measure economic achievement and corporate value.

For Bhutan, it is important to prioritize traditional values and local culture. Indeed, GNH rejects many of the standard Western yardsticks of achievement. These include GNP as the dominant economic measure, melting-pot theory that creates a mass consumer class, underlying assumptions that greed and the “invisible hand” are the ultimate levers for economic adjustment, and the idea that the accumulation of consumer brand items can offer people sustainable happiness.

At the same time, GNH cannot be developed in a quantitative manner, as the concept of happiness cannot be measured in numbers. This goes back to the problem of orthodox economics. Its assumptions leave out the human side—emotion, compassion, spirituality. Yet these are factors that drive people as much as material ones.

### ***Broaden the Factors***

Washington Consensus development models envisage industrialized countries enjoying relentless growth. But material goods do not necessarily produce happiness or well-being. GNH is a policy that aims at the equitable and balanced distribution of the benefits of development for all levels of society. It involves the promotion and preservation of

culture, the low-density development of towns, and the maintenance of vast tracts of environmentally protected land.

The GNH model is anchored on a core assumption. It is that an individual will find it more fulfilling to live a balanced life than one devoted to the pursuit of material gain. What people should strive for above all is to live a life of compassion. Do something to help others, even if it is a single person, to get through another day with a little more ease. By giving, we receive much more. If we begin with this idea, the whole concept of corporate shareholder value begins to change.

### ***Restoring Human Happiness***

Happiness is an abstract notion of how to free ourselves from discontent and suffering. In Bhutan it is defined by having one's mind and body in balance and by the right to choose a sustainable form of development. While many developed industrial societies are awash with consumer goods and luxury brands, their denizens suffer depression and are socially dysfunctional. Why? Because we lack balance, a result of our own skewed values. Essentially, we suffer because of our greed. So we must stop thinking about ourselves selfishly in laissez-faire capitalism terms and begin respecting and caring for one another.

In Bhutan, respecting the environment is more important than accumulating the trappings of a luxurious life. Environmental protection is a key pillar of GNH. The global economy is at a crisis point. It is connected not only to Wall Street excesses, but also to the degeneration of our environment.

### ***Article 7:***

***Marginalized groups need to be empowered. That would help stop terrorism at its root.***

Economic stagnation brings social frustration, which helps fuel the rise of fundamentalism in all forms. Islamic fundamentalism is just one example. New social pressures are emerging. More and more people are rejecting American-style globalization and its inherent values, and turning back to their own traditions, most obviously expressed by wearing the veil. When a people are confronted and feel oppressed by Western culture, they turn inward—to the symbols of their own culture. By doing so, they reinforce and assert their threatened sense of identity, usually of a cultural or religious nature. That explains why the rapid rise of radicalized Islamic groups has been a key response to colonialism and its contemporary forms. Declining economies resulting from instability or externally imposed embargoes stimulate introvert emotions and inflame religious extremism.

***Marginalizing People Breeds Terrorism***

Terrorism happens less because people have political agendas than because they have no hope. They have been marginalized from society. How can those who cannot even make ends meet be active participants in society? When the international media demonize their sole beliefs, they have no choices left. In frustration, they become radicalized. Disenfranchised from their own heritage by a critical global media, they turn back to religious sanctions for psychological assurance and security.

Groups that have been extremely marginalized become extremely radical. They are then labeled “terrorist.” Yet we conveniently forget about institutionalized terrorism. One common form: officially sanctioned embargoes that starve people and deny them medical care. Another is military occupations that enforce overt colonialism when more subtle financial and media levers fail to penetrate people’s lives and beliefs, bringing them in line with the standards of Washington Consensus globalization.

***Invest in People’s Future***

Instead of undermining or browbeating communities, we should be building them. Demonstrate to the disenfranchised that they can invest in their own future. Give them a sense of hope. Help set up goals they can reach. Education, in the form of training, and micro-finance are powerful tools. Together they can lay foundations for future self-employment. Such programs can empower the poor by providing not only financing but, equally important, a support system that helps build self-confidence.

That is where community building comes in. We should create a model of local development suitable to each community. Rather than fear the power of ethnicity, we should harness it to build stable social-identity groups. Respect for each culture’s diversity is critical to assure social harmony and peaceful living.

Such approaches could serve to cure terrorism at its roots. For a fraction of the money Washington spends bombing diverse ethnic tribal groups and Muslims in general, vocational training and micro-enterprises could be organized based around *madrasas*. These are Islamic schools whose vast existing networks could change people’s lives, in turn transforming their global outlook.

***Turn Madrasas into Vocational Networks***

Indeed, *madrasas*, widely seen in the West as hotbeds of fundamentalism, can be turned into incubators of social harmony. Through appropriate local foundations, this network of religious schools

could be used to create a community outreach through vocational skills programs and support cottage industries. Think of the sense of security it would bring if people have a life to look forward to and a means of making it happen.

**Article 8:**

*The United Nations needs to be made more representative—and democratic. In individual countries, only bottom-up—not top-down—democracy will work.*

Many non-aligned countries have called for the expansion of the United Nations Security Council and curtailment of the veto powers of its five permanent members in order to break their monopoly. Perceptions of an unrepresentatively narrow power base risk eroding the world body's legitimacy and authority. Nations, like the people who comprise them, are entitled to govern themselves without other countries telling them what to think, what to believe in, or what constitutes acceptable or unacceptable behavior.

***New Global Threats Require Sensitive Multilateral Brokering***

The challenges and threats currently facing the world include the prevalence of military domination, increasing poverty, the growing gap between rich and poor nations, violence as a means of resolving crises, the spread of terrorism (especially of the state variety), and the existence and proliferation of weapons of mass destruction. Other problems relate to the pervasive lack of honesty, and a disregard for the equal rights of peoples and nations, in international relations.

Multilateral, interactive behind-the-scenes brokering, applied with patience and consistency, can be effective in resolving conflicts. On the other hand, unilateral force and imposed ideologies merely entrench conflict, unleashing more chaos down the road. Aid agencies come in to rebuild a war-stricken occupied nation or territory. Funds are corrupted, babbling consultants spin ineffective policies, and economic anarchy returns. Yet people watching it all on CNN and the BBC still wonder why there is terrorism.

***Democracy Does Not Come From the Barrel of a Gun***

Democracy is a universal value based on the freely expressed will of peoples to determine their own political, economic, social and cultural systems. Brutalizing them under military occupation is a grave and cynical form of terrorism, even when conducted as part of an exercise to force-feed “democratic” systems on those who don't have them.

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Top-down democratization does not work. If democracy is to take hold in any part of the world, it must be indigenous and rooted in the local culture and its values. Western-style democracy cannot be imposed onto alien nations without being translated into a language that is familiar to them. The United States cannot succeed in globalizing its variety of democracy through top-down approaches enforced by unilateral military initiatives.

The American adventure in Iraq, for example, involves removing a foreign government, replacing it with an elected one, and expecting it to develop naturally—in the complete absence locally of a democratic culture and infrastructure. The underlying assumptions are deeply flawed, if not outright absurd.

### ***Nations Must Determine Their Own Future***

Indigenous populations will always want to determine the nature of their nation's evolution and the need for any reforms. They don't want their futures to be dictated by distant powers, or shaped by ideologies alien to their ethnicities or geographic identities. Such realities underscore the need for more regional forums to devise substantive development programs, multilateral trade agreements and policies on banking, securities and financing policies appropriate to the needs of nations within those regions.

Nations want to find their place in the world through localization or regionalization, not globalization. Global ideals must be examined in terms of their compatibility with local conditions and customs. Where such compatibility does not exist, alternative paradigms and solutions must be found. Forums should be encouraged to generate new approaches and ideas, not least to prevent nations and peoples from being marginalized and, in turn, radicalized.

### ***Article 9:***

***Why has China succeeded where Africa failed? The key to overcoming cyclical poverty lies in devising and applying locally rooted solutions.***

Africa is a screaming example of the foregoing failures. The continent bears the scars of ineffective international aid programs in the post-colonial era. Its economies have been sidelined by Western countries, and the living conditions of its populations are largely ignored. American assistance floods instead into Israel, propping up its military state apparatus, while only peanuts are tossed to Africa.

Africans blame the institutional lending criteria applied by the World Bank and IMF, which they see as attaching burdensome and often impractical conditions that become the cause of their own cyclical poverty. In fact, more aid money is spent on consultant

expense accounts, or on missions to evaluate and re-evaluate what other missions have already assessed, than on real poverty relief. G8 member states may debate a project for years without reaching consensus on the conditions to be attached to their aid. Such approaches have left Africa without infrastructure and far behind in development terms.

### ***Keys to Beijing's Success***

China progressed, but not Africa. Why? One key reason is that Beijing spurned the World Bank and IMF policies of privatization and elimination of subsidies. It saw them as tools to benefit the rich social elite, who end up with capitalist monopolies at the cost of the broader population. When these programs are finished, foreigners, not locals, essentially run the country. That creates broad resentment—and instability.

Successful development requires understanding of local people and problems. Indigenous populations need to be given ownership of their problems. Aid providers who ignore or override people's cultural preferences and prejudices will quickly run into resistance. Applied insensitively, international assistance may actually backfire. It often brings inflation, whose trickle-down effect hurts people. Covert U.S. military support behind aid carries overt political conditions, turning intended beneficiaries into opponents. Peace becomes improbable, if not impossible.

### ***Political and Economic Stability Is Essential for Development***

Without peace, money cannot be channeled into the alleviation of poverty in stricken regions, followed by the economic integration of these regions to give them comparative advantages. So stability is essential. Development begins with economic stability, from which political development can naturally occur. It does not begin with making economic development conditional upon political systems that may bring prevailing ethnic, social and religious values into conflict.

Trade is more important than aid because it builds value for the population. Grassroots programs can foster social stability through providing vocational-skills training, developing industry, and re-instilling ethnic pride through economic self-sustainability.

### ***Forms of Government Are Less Important Than Actual Accomplishments***

Forcing models of government by attaching conditions to lending is counterproductive. Never underestimate the power of bottom-up grassroots economics. It can effectively displace heavy, top-down

infrastructure growth models where self-appointed advisors and contractors reap profits from soft loans bound in conditionality.

The role of government should be to alleviate poverty, close large income gaps, protect the environment to ensure the survival of future generations, and give people hope for a better future. The form that a government takes, or the political model that it adopts, is less relevant than what it is able to accomplish. Aid organizations should be guided by these notions.

**Article 10:**

*The Himalayan revolution is under way. A development paradigm based on the timeless values of great Asian civilizations can bring new hope to the world.*

Throughout the developing world, NGOs and ethnic or local interest groups are rejecting Washington Consensus views. But they have yet to agree on an alternative. China's experience could be a key catalyst for a new consensus. But does Beijing realize this—and might it wish to assume such a role? Can it? For the international community waiting to see how China will rise, the ideological vacuum needs to be filled. For the moment at least, the idea of a “Beijing Consensus” being applicable anywhere other than China is an open question. What we need is a new epicenter, a new consensus that can offer a viable alternative to Washington's.

So let us get far away from Washington to come up with a fresh agenda. We will draw upon values rooted in the historical and spiritual philosophies of the Himalayan region, fusing and integrating them into a new platform that incorporates social, political and economic paradigms. It is time for the diverse peoples of Asia to take pride in their indigenous values. They should realize that the power of their economies and social philosophies can serve as both the new epicenter and a source of universal values for our era.

In an age of accelerated global warming, we should remember that the Himalayan mountain range is the water source for all of Asia—east, southeast and south. So let it be a font of inspiration as well. We should recall the reflection of Rajiv Gandhi, the late Indian premier, that this greater Himalayan region is interlinked by geography, sociology, economics and the timeless philosophies of Hinduism, Islam, Buddhism and Taoism. In contemporary terms, we can dub the product of this sweeping multicultural confluence the Himalayan Consensus.

**Introducing the Himalayan Consensus**

The **first pillar** of the Consensus urges an end to the blind application of Washington Consensus economic fundamentalism, which

bears virtually no relation to local realities. Instead, adopt indigenous solutions or pathways to economic development. In the case of China, an unabashed combination of planning and market functions have been deployed as needed. And as India has proved, economic models stemming from the grassroots can be as valuable as top-down stimulus programs driven by fixed-asset investment.

Each country in the region faces a similar challenge: to reduce poverty in relatively densely populated rural areas. Needless to say, the experience of each nation differs according to local conditions and cultures. For instance, while China's emphasis is on GNP growth, Bhutan calls for growth to be measured by GNH. Bangladesh adopts micro-finance. Nepal and Sri Lanka empower people through NGO initiatives. Each approach must be respected in its own right, applied and adopted as suited to the unique circumstances prevailing in each country.

### ***Reject Global Models, Seek Local Solutions***

Each nation or region should adopt economic solutions according to its own conditions, without enforced adherence to any single model. Countries should share their development experiences, with positive results achieved through an emphasis on grassroots imperatives, micro-finance, and combined market and planning approaches. To facilitate such exchanges, new forums need to be created.

None of this dismisses top-down infrastructure fixed-asset spending as economic stimulus, as different approaches can be adopted simultaneously. Remember that the power of grassroots movements is vast. Money should be channeled from the business world to the poor. During such economic transition or reform, excesses of all kinds need to be avoided as much as possible. Flexibility and open-mindedness should become watchwords. What the Himalayan Consensus does reject outright is the dogmatic application of Washington Consensus-style "shock therapy" through such measures as the sudden liberalization of foreign exchange and capital markets, or premature privatization without the necessary infrastructure and social apparatus.

### ***Drawing on the Values of Buddhism, Hinduism, Islam and Taoism***

The **second pillar** calls for engaged social interaction without violence, and broad egalitarianism and equality. These are goals common to Buddhism, Hinduism, Islam and Taoism, indigenous creeds from which the Himalayan Consensus draws its underlying values. The philosophies have similar aspirations for equality among peoples, closure of the gaps between rich and poor, a universal right to medical treatment, and respect for the environment as the basis of

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humanity's own sustainable development, including finding peaceful solutions to global conflicts.

The Himalayan Consensus prioritizes the alleviation of poverty and the reduction of income gaps in order to create a more equitable world. Visit any Hindu temple in the evening and one will find food being provided to the poor. Likewise, compassion and the alleviation of others' suffering is a core tenet of Buddhism, a form of gaining merit. Buddhists constantly reach out and donate to medical and educational projects, and give alms to the poor. Alms-giving is also one of the Five Pillars of Islam. Muslims consider it not charity but virtue, which is community based. Each person is responsible for everyone else. The strongest in the community takes care of the weakest.

Himalayan Consensus values hold that one benefits more from giving than taking. This is the opposite of prevalent Western credos such as "no free lunch" and "only the strongest survive," or the notion that the weakest are in their position because they do not work hard enough or are insufficiently determined to succeed.

### ***To Every Country Its Own Politics***

The **third pillar** is that every country should have the right to develop its own political system. The right to self-determination, independent of any other country's dictates, should be a universal value. Just because one country's political system works well for it, that is no reason to assume it will work well elsewhere. In fact, cultural, historical, social, economic and political differences put the odds against it. Attempts to force one system onto other nations that are not interested should always be condemned.

### ***The Himalayan Consensus Has Far-Reaching Relevance***

The Himalayan experience gains broader relevance because of the sheer number of ethnic and tribal groups in each country bordering the world's mightiest mountain range. Most of the constituent nations have dozens of different linguistic groups in the region. The situation is readily shared with many African countries, large parts of central Asia, the Middle East and also Central and South America. None of these regions adopts the melting-pot culture and each defends the ethnicity of its own people strongly, albeit often in different ways, with sharp, sometimes deadly, confrontations erupting. But that is the reality many countries face—and effective development must take it into account. In these nations, good, responsive government will naturally mean something different from what it is in America or Europe. The Himalayan experience can offer valuable, practical lessons—on the positive as well as the negative aspects.

To be responsive to popular needs, each body politic should effectively represent its own ethnic, religious and social groups. Indigenous models of participatory government should be created based on the foundations of each nation's cultural, tribal, historic, political and economic structures, as relevant. The emphasis should be on evolution, rather than reform. Such ideas may be anathema to Washington, but the repeatedly proven reality is that forcing an American model of government on countries with few historical, social or cultural ties to the U.S. leads almost invariably to ineffective rule, political instability and socio-humanitarian disasters. We must continue to resist this *modus operandi*.

In the decades ahead, we will see transnational, regional and global conglomerations—economic, political and religious—becoming actively involved in bilateral or multi-lateral trade, aid, finance or conflict mediation. New institutions will arise organically as the U.N. and WTO repeatedly fail us. These organizations too will globalize, for globalization is not a linear phenomenon but constant conversions of common sets of ideas. We will never have a single global ideology, but rather a connection of consensuses, conglomerations and gatherings around common notions. The Himalayan Consensus is one path toward the future. There are many others, including different kinds of regional consensus—the Andes Consensus, or the Islamic Consensus, for example. The successful ones will become new institutions and those that fail may merge.

***Guerrilla Television and Bloggers of the World Unite!***

The formation of such movements will accelerate as we move into the post-nation-state world, where nationalism becomes less and less a primary means of collective identity. As people revert to forms of self-identity based on culture, religion and ethnicity, these kinds of consensus will become the primary mode through which international relations are expressed and experienced.

International relations will go beyond dialogue among the nation-states. They will be conducted in the context of global transnational consensuses, and the revolution will be in the changing values of our system and our social conscience. The battles will continue to be fought with the tools that have enabled globalization—the internet and satellite television. Guerrilla networks working through interactive websites and bloggers will arise and unite. So tune in!

