

# SUSTAINABLE DEVELOPMENT: WELLBEING ECONOMICS APPROACH

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## ABSTRACT

*India is an example of co-existence of 'the embarrassingly rich and the desperately poor'. Each sector, industry, community or group is in pursuit of its survival, identity and growth. Pursuit of self-interest is supposed to inherently ensure progress of society, according to received theories and imposed practices, but apparently failed to do so.*

*This paper takes a multi-pronged approach and inquires into the inter- and intra- sectoral interactions on wellbeing and measures to make it non-exclusive and equitable. The current real-time instances chiefly from the banking sector are a part of the study to prove the serious repercussions caused by ignoring the complexity of interactions and integrations and treating each factor or variable independently with de-unified knowledge. Consultative participatory institution is presented as an institution that enables interactions of every other variable and factor each reinforcing the other thus avoiding extremities in decision-making and producing unified knowledge in the process. Development and growth with a wellbeing perspective, endogeneity of ethics and non-exclusivity with consultative participatory standpoint is the sine qua non. A criterion for measuring the inclusivity in terms of consultative participation is taken as an indicator of measuring unity of knowledge.*

**Keywords:** Wellbeing, Consultative Participatory Institution, Unified knowledge, Endogeneity of ethics.

## 1 Introduction

Today a vast majority of Indians are facing issues such as poverty, malnutrition, lack of basic amenities of water & sanitation, unemployability, price-rise, absence of sound health care system, affordable housing, good education, erosion of ethics, environmental degradation and credit crunch. The vertical growth of a small percentage and the horizontal increase in debasement of a large percentage necessitates us to revisit the epistemic reference, if any, for this lop-sided unsustainable 'growth'.

GDP was originally conceived as a metric to monitor cyclical fluctuations of the market, hence not designed or expected to gauge societal well-being. Budgets and plans are laid-out in terms of sectoral growth targets and not in terms of rates of poverty-reduction, employment-generation, health, education, environment and ethics and living standards of the people. Such plans are sectoral growth plans and not broad-based nation-building plans. The crucial issues affecting the masses is attempted to be resolved as an outcome of pursuing growth-centric policies. The Economic Advisory Committee and mainstream economics justify and are convinced that the surplus revenue generated out of more growth could be and would be directed towards the lower strata of the society. However, revenue generation that does not involve all the sectors and communities cannot in turn allow percolation of wealth downward. The received or accepted thought-process that considers 8% growth rate as a goal-post for Indians and a bench-mark to read India's progress needs to be revisited.

This paper discusses the political economy of wellbeing premising on unity of knowledge. The epistemic concept of unity of knowledge entails dynamic interactions, thus, participation of societal, political, economical, environmental, ethical, technological and diversely unified institutional and non-institutional variables in a consultative participatory institutional milieu. This is a perspective for sustainable world systems.

Thus, the outcome of a consultative participatory institution would be knowledge guided by unified world view generated out of pervasive complementarities, participatory development, causatory inter- and intra- sectoral linkages and evolutionary learning between the variables conducted through mutual discourses, participants of which are conscious of the episteme of unity of knowledge. Thus we render the episteme of unity of knowledge and unified world view into integrated wellbeing. The aim is to ensure broad-based development as opposed to pocketed development through wide consultative participation. Thus, a new approach of sustainability by a change in the structure of development into a wellbeing perspective is discussed.

## 2 Objective:

This paper presents an alternative thought process in order to premise on an episteme that can generate unified knowledge. Unified knowledge is knowledge that arises organically out of discursions of complex and dynamic inter- and intra- sectoral interactions recognized as natural to the world systems. Consequently, wellbeing of universe is a natural outcome, caused through endogeneity of all factors including ethics, environment, polity, society, economy and technology.

### 3 Background:

Economy is being built up on the edifice of growth. Democracy is about inclusive growth as non-inclusive growth could undermine democracy. The economic growth so far has been far from inclusive. We have had Nobel laureates and leaders speak out against this socio-economic injustice but political needs and expediencies have been overriding economic compulsions and resolves. Socio-economic movements such as Occupy Wall Street and Jan Lok Pal Bill, brought to fore the failures of market and political system, viz., capitalist democracy. It was a joint failure of the political system of democracy and the economic system of mainstream neo-classicism.

What we need is consultative participatory discourses that shape fresh thought processes evolving policies that lead to equitable and sustainable growth. The political economy of inclusive growth decisively leads us to understand the failures of corporate governance, where the political processes colluded with the financial institutions to shape the markets in favour of the agenda of the colluders under the garb of liberalism and deregulation.

### 4 Scholarly opinion on current issues of the non-inclusive neo-classical economic regime:

Citing shortcomings of the present market system, in a lecture at Indian Statistical Institute, Kolkata, Nobel Laureate Joseph Stiglitz said that, market forces were not efficient in producing and distributing information and knowledge. He pointed out that gap of knowledge is wider than gap of resources between developed and developing countries. He advocated a balanced role between markets, government and civil society. He criticized the developing countries attitude of borrowing and adapting technologies from north. He rightly pointed out that much of technological or other invention in developed nations has been targeted towards saving labour. Whereas in developing countries labour is in abundance and unemployment is the burning problem. Labor saving inventions only aggravate the social issue. He stressed that real scarcity is that of natural resources hence inventions should be towards saving resources and environment. There is serious dearth of research centers in developing world to focus on scarcities. He pointed out the failures in development thinking. Intellectual Patent Rights often restricted the use of knowledge and contributed to creating monopolies. He said that democratic ideals create knowledge economy and said non-inclusive growth could destabilize democracy.

Nobel laureate and Harvard professor Amartya Sen has always been a critic of the Indian academic-political-industrial obsession with the Gross Domestic Product(GDP) or growth rate targets over the more substantial goals such as universal guarantees such as basic health care, education, food and empowerment

through livelihood entitlements. This approach is of serious concern to the agricultural sector as more than 50% of Indian population are involved in agriculture sector activities and majority of this sector are poor.

Prof Mehabubul Huq, a Pakistani economist who was the founder of Human Development Report recommended lesser military expenditure for the sub-continent and use of funds on education and poverty reduction. He said political will and commitment is vital for all strategies to take shape. In his book 'Poverty Curtain' he specified that that growth is thought to bring about employment. Unemployment is treated as step-child of planning and growth.

## 5 Neo-classical theory and goals pursuing non-inclusive growth:

The usual arguments put forth by the neoclassical proponents of free-trade, free-markets, capital flow liberalization and economic growth are the market-driven competitive forces for efficient allocation of resources. Yet the missing element in capitalist globalization argument vis-à-vis market competition is a recognition of the short and long run social and private costs that globalization brings about through its approach based on market-driven competition. Neoclassical economics views long term survival in terms of market competition and efficient allocation of resources. All policies, institutions and programs remain exogenous to this fundamental condition.

## 6 Unity of Knowledge:

An inclusive growth entails the set up of an inclusive world system or unified world view. Unified world system is by its very nature the idea of that of causal linkages, consultative participation, complementarities and evolutionary learning. The objective of this framework is wellbeing. Inclusive growth is hence a natural offshoot of this framework.

The episteme of unity of knowledge necessitates the representatives of various entities to acknowledge and pay heed to the circular causal complementarities amongst the variables of the analyzed system and their entities. The natural systems are essentially unified, characterized within, as diverse dynamic complementary interactions, integrations and evolutions, and the natural laws are as defined and upheld by the principle of unity of knowledge and unified world-systems.

The institution of Consultative participation treats the diverse system representations as sub-systems that do not compete; rather they complement with each other. Thus the entities and representatives of the variables are recursively interrelated under a reinforcing mechanism generated out of the characteristics of broad

participation, wide representation, resulting into transparency, judicious responsibility and accountability leading to socio-economic efficiency and equitable development.

The knowledge deduced and the simulated levels of common wellbeing of the participating entities and the corresponding variables in this regard would go through a circular causation knowledge-gaining process. The interactive and evolutionary form of learning in unity of knowledge in Consultative Participatory institutional model is all-inclusive and integrated.

## 7 Conclusions:

Intellect cannot cast away what is discernibly good and true. There has to be an intellectual exchange between received and alternative ideas. This paper has discussed new grounds on the theme of socio-economic reconstruction at global and national levels by presenting concept and application underlying the science, society and economy embedding. The theme of consultative participatory political economy as a new idea of political economy in this socio-economic sense has been discussed. Such a definition recognizes the traditional one on conflict and power in the ownership, distribution and production of resources. But it extends to the moral and ethical foundation of unity of knowledge and its epistemic influence on the construction of politico-economic issues under study. Such a path towards moral and ethical reconstruction of the socio-economic question was considered as the way towards new socio-politico-economic contracts as human and wellbeing centric. The concept of unity of knowledge and its discursively driven organic participation has been discussed for political and institutional consideration.

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