Wellbeing Economics and Buen Vivir: Development Alternatives for Inclusive Human Security

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Abstract

As international development strategies struggle to address issues of human insecurity and socioeconomic despair, inspiring alternatives are taking shape outside the traditional development discourse with the potential to revolutionize the ways in which development policy can be both informed by and contribute to social wellbeing in the Global South. This article draws awareness to the emerging field of wellbeing economics and the associated experience of the politically manifest concept of “buen vivir” (living well) in contemporary Latin America as useful practices guiding socioeconomic development for inclusive human security. This effort requires a fundamental re-juxtaposition of the relationship between development policy and social wellbeing, engaging a transformative research methodology at the community level to elicit effective policy response, while at the same time calling for significant social-structural change toward a post-extractivist, post-neoliberal global political economy based on human dignity and community solidarity in harmony with nature.

Introduction

“. . . because the best way to guarantee human security is to help people fulfill [their] own potentialities.” -- Dr. Surin Pitsuwan, Secretary-General of the Association of Southeast Asian Nations (ASEAN)

While perhaps stale in its simplicity, understanding the development aspect of human security as “freedom from want” is a useful point of departure for embarking on the task of designing human-centered development alternatives for inclusive wellbeing, particularly among vulnerable and marginalized communities. The first step, however, is to redefine what that “want” encompasses, turning away from income-focused universals by recognizing that social needs and values are complex.

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and context-specific, the satisfaction of which requires a more nuanced response than that currently promoted in mainstream international development. Toward that end, this article sheds light on the emerging field of wellbeing economics and the renascent indigenous concept of *buen vivir* (living well) in contemporary Latin America as inspiring practices guiding socioeconomic development for inclusive human security. New approaches borne from wellbeing economics and the buen vivir experience transform the relationship between development policy and social wellbeing, engaging a nuanced research methodology at the community level to understand context-specific local values and assess subjective wellbeing needs. Community-based findings must then be compiled and articulated politically to elicit adequate policy response, thereby ensuring that development policy is designed to address social wellbeing needs as determined at the local level. This process, while time-consuming in its initial phase, is of utmost importance to achieve a hybrid two-way symbiosis between bottom-up and top-down approaches to development policy alternatives.

The case study countries of Ecuador and Bolivia are presented to exemplify the *buen vivir* development paradigm in contemporary Latin America as two countries where *buen vivir* has been best articulated by indigenous-led social movements and explicitly manifest in national development plans, conceptually aligned with the emerging post-neoliberal policy framework at the heart of Latin America’s socioeconomic transition led by the region’s now majority leftist governments. Given the novelty of the field of wellbeing economics, its contribution to the arena of development for human security has yet to be explored. As such, this article connects the tangible *buen vivir* experience to the wider wellbeing economics framework in order to better understand the theoretical and practical value of the field and its potential to revolutionize the way we (un)do development.

The article is divided into three sections, the first of which provides an overview of the emerging field of wellbeing economics, its potential contribution to the field of development, and the intensive research methodology required to elicit effective policy response based on the articulation of subjective, context-specific community wellbeing needs. The second section introduces the concept of *buen vivir*, its indigenous origins, modern relevance, and role in the national development plans of case study countries Ecuador and Bolivia within the larger framework of post-neoliberal Latin America. The final section proposes conclusions on the contributions of *buen vivir* and wellbeing economics to the creation of new development practices for inclusive human security.

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**Wellbeing Economics and Development: Human Dignity,**
Happiness and Meaningful Livelihoods

Deconstructing Development

Many mainstream development strategies created by practitioners and organizations in the North continue to neglect the subjective realities of the people they affect at the local and community levels. Top-down technical approaches intend to help beneficiaries break free from the “poverty trap” through blueprint-style universalist models focused on economic growth, as well as income-based and otherwise quantitative socioeconomic indicators. Stemming from the tenets of the United Nations Millennium Declaration, the development practices designed and implemented by powerful development organizations—including the World Bank, USAID and the UN Development Programme—seek to, for example, improve formal education as the means to expand employment and production (and therefore grow income, consumption and savings); minimize population growth; control communicative disease primarily through immunizations and access to pharmaceutical drugs; and promote wider access to the market economy, as among the grandiose mechanisms to develop the Global South. However, with 850 million people currently living in hunger worldwide (15.5 percent of the world population), and UN projections indicating that in 2015 more than 600 million people will still not have access to clean water sources, and almost one billion (nearly one-sixth of the Earth’s population) will be living on an income of less than $1.25 per day, it looks as though many of the lofty objectives intended to cure the ills of the impoverished world as determined through the eyes, brains and pens of experts in the North have not been achieved in the 15-year timeframe of the Millennium Development Goals, set to expire in two years’ time.

While “more of the same” with minor adjustments for unachieved targets has been prescribed for the post-2015 development agenda, it is naïve to believe that these unmet goals will ever be achieved through the current development framework, since their realization would require fundamental transformations in society geared toward greater equity and equality. Moreover, they neglect the need for a thorough reconsideration of whether the Millennium Development Goals or the priorities reflected in the Human Development Index are even desirable, given that they are not necessarily a reflection of the needs and values of the populations they affect, whose own goals for dignity and livelihood find little space for articulation within this top-down agenda. Unfortunately, believing that the “developed world” knows best what the Global South needs and wants in order to “develop” them in the North’s modern industrialized image continues to (mis)guide global development practices without enough attention to the people and cultures they impact. Entrenched within the neoliberal capitalist framework so at odds with local realities, it is thus unsurprising that many development workers find themselves out of touch with the actual lives, values and wellbeing needs of the people they seek to help, unable to see beyond the confines of such a narrow view of what development objectives should be and how they should best be pursued. Seen in this light, it is no wonder that development goals and strategies designed by the North are rarely successful in the South.
Further, mainstream approaches oftentimes neglect the structural relations of power, dominance and exploitation inherent to the global capitalist system, whereby strategies created in the North and implemented in the South are historically not a reflection of a benevolent desire to improve people’s lives, but rather serve to strengthen Northern geopolitical and economic dominance through wealth accumulation by way of access to the inexpensive labor and natural resources of the South. In particular, strategies with economic growth as a principal objective have come to define development policy, seeking to bring more people into the money system, stimulate consumer demand and mechanize production, many times at odds with environmental sustainability, native practices and local wellbeing needs. David Harvey writes of this modern neoliberal phenomenon as an extension of neo-colonial domination: “a political project to re-establish the conditions for capital accumulation and to restore the power of the economic elite.”

Similarly, Evelin Lindner refers to this process as “the art of domination”—replacing brute force with more subtle and covert approaches when “elites wish to subjugate underlings.” She makes mention of the dominant global economic reality as “a certain geohistorical cultural context that enables a ‘raiding’ culture to flourish and to hijack institutions with innovative tools and interventions [leading] to domination and exploitation, and if this happens at a global scale, it means the destruction of the entire socio- and ecosphere.” With development as another tool of domination, we are living this reality of social and environmental destruction.

Regarding exploitative power relations in capitalism and modernity specifically, Arturo Escobar argues: “it has become clear not only that capitalism impairs or destroys the social and environmental conditions on which it relies (including nature and labor), but also that capitalist restructuring increasingly takes place at the expense of those conditions.” It is within this overwhelmingly dominant framework of modern global capitalism that the development discourse is born, reflecting the entrenched nature of power and exploitation inherent in its uni-visional treatment of the developing world:

The coherence of effects that the development discourse achieved is the key to its success as a hegemonic form of representation: the construction of the poor and underdeveloped as universal, preconstituted subjects, based on the privilege of the representers; the exercise of power over the Third World made possible by this discursive homogenization (which entails the erasure of the complexity and diversity of Third World peoples, so that a squatter in Mexico City, a Nepalese peasant, and a Tuareg nomad become equivalent to each other as poor and underdeveloped); and the colonization and domination of the natural and human ecologies and economies of the Third World.
And while the meaningful projects of many international nongovernmental organizations should indeed be acknowledged for their moderate impact on the ground, they still face significant structural limitations—despite their more innovative development approaches—given the confines of this mainstream development discourse. With such a stiflingly hegemonic framework providing the inspiration and theoretical foundations for the design of international development policy, even the most well-intentioned practitioners find themselves with little power to effect the positive impact they desire, given the relations of domination and exploitation inherent within the system. The implication of this stark realization is that the potential for development as we know it in the North to contribute to inclusive human security in the South is an impossible dream we must exchange for realistic alternatives “outside the box.”

Despite this grim point of departure for re-envisioning the practice of development, new (and old) alternatives are coming out of the woodwork beyond the mainstream, offering hope for the future by promoting a more nuanced understanding of how we might redefine development objectives through people-centered approaches to fostering subjective social wellbeing at the local level. The emerging field of wellbeing economics is at the forefront of what has been called “the wellbeing revolution,” and its potential to transform development policy and practice is now being felt in the Global South. As an inspiring response to ongoing calls for endogenous development alternatives, wellbeing economics deserves space for recognition and analysis as a dynamic approach to supporting the human and the social, rightly repositioning people and their potentialities—as opposed to power, profit and economic growth—at the center of development objectives.

**Wellbeing Economics for Endogenous Development**

First and foremost, wellbeing economics is premised on the recognition that being poor is not a mere reflection of lacking sufficient material income or capacity for consumption, with the converse also being true that high income and consumption levels do not define “genuine wealth.” Dominguez and Robin demonstrate that money contributes to wellbeing up to the point of satisfying basic life needs and maximum fulfillment for a good life, a point after which increased spending leads to diminishing happiness. Bruno Frey seconds this argument, commenting that “the relationship between income and happiness is not linear; there is diminishing marginal utility with absolute income.” Income is useful for wellbeing in so far as it may contribute to improving access to some of the things that make life fulfilling. However, income is not a relevant indicator of wellbeing on its own, and therefore basing development practices on increasing income and consumption is not a sufficient strategy for supporting the realization of individual and community wellbeing.

Furthermore, wellbeing economics calls into question the very lifestyle values of modernity as experienced in the North as the precedent for development objectives in the South, begging the question: is promoting the development of the South in the image of the North a desirable trajectory for supporting social wellbeing? The
diminishing returns of income to happiness extend beyond the individual or household to the national level, where Easterlin et al. have demonstrated that rich countries getting richer has not meant that people living in these countries are any happier. Although Gross Domestic Product (GDP), the measure of economic growth understood as the total dollar value of all goods and services produced within a country, has risen significantly over the past half-century in the countries of the Global North, citizens today do not report feeling happier than their counterparts in the mid-twentieth century. In many instances, people are less happy today than they were in the past despite significant rises in per capita income. For example, Matthieu Ricard, author of *Happiness: A Guide to Life’s Most Important Skill*, notes that between 1949 and today, while real income in the United States has more than doubled, the number of people declaring themselves as “very happy” has decreased. Similarly, Mark Anielski comments in his book, *The Economics of Happiness*, that “many life conditions for the average US citizen have grown worse despite increasing levels of GDP and booming financial markets.” These findings demonstrate that economic objectives pursued in the North seem to be disconnected with citizens’ wellbeing needs, proving them to be a faulty basis for guiding development policy in the South.

Anielski asks another poignant question: “[i]s there discord between the values espoused by our modern democratic, capitalist and free market system and the values that reside in our hearts about what constitutes ‘a good life’?” Alan Thein Durning expands on this sentiment, noting that many people today sense that their “world of plenty is somehow hollow—that, hoodwinked by a consumerist culture, they have been fruitlessly attempting to satisfy with material things what are essentially social, psychological and spiritual needs . . . By the consumerist definition, satisfaction is a state that can never be attained.” Similarly, Kanner and Gomes write of the “consumer false self” being taken to heart as part of a person’s identity, arising from a distortion of authentic needs and desires whereby people learn to substitute their true desires for material possessions—what they are told to want by the mass marketing machine of consumer culture. The end result is that “by the time they reach adulthood, their authentic feelings are so well buried that they have only the vaguest sense that ‘something’ is missing. Having ignored their genuine needs for so long, they feel empty.” With these perspectives in mind, it becomes clear that development projects focused on increasing income to expand consumption in the image of the Northern consumerist lifestyle as the means to improve wellbeing are missing the point completely. That is, that human wellbeing rests not on greater consumption levels, but rather on supporting the development of human potentialities through meaningful livelihoods, strengthening social relations and promoting ways of life in harmony with nature. Wellbeing economics “gets” this and can thus be an important catalyst in the shift toward alternative paradigms of development.

Wellbeing economics stems from a strong regard for qualitative human values of what constitutes a meaningful and happy life outside the confines of economic growth, material income and consumption, focusing instead on how the realization of true
Wellbeing economics stems from a strong regard for qualitative human values of what constitutes a meaningful and happy life outside the confines of economic growth.

Wellbeing can be the principal goal of a people-centered economics. This is a radical divergence from the profit-, growth- and wealth-oriented models of capitalist economics we know so well. In other words, it is a “seismic shift in neoclassical economic development philosophy dominated by British-American capitalism.”

The evolution of the field of wellbeing economics, by contrast, is telling of how this new paradigm seeks to transform the way we understand the relationship between economic development and the people it intends to serve.

Appreciating wellbeing begins with a reconceptualization of poverty (and therefore wealth) from a qualitative human perspective, departing from income-based determinants of poverty lines and other traditional indicators that define poverty and wealth in a quantitative sense (including, among others, life expectancy, educational attainment, vaccinations, consumption levels and employment). Max-Neef, Elizalde and Hopenhayn present a refurbished understanding of poverty through their qualitative needs-based model, building on Abraham Maslow’s seminal hierarchy of needs and rejecting the income-based approach. Instead, they offer a platform for “human scale development” based on Max-Neef’s original matrix of human needs, defining quality of life as dependent on “the possibilities people have to adequately satisfy their human needs.” Their approach acknowledges the subjective nature of wellbeing and offers indicators for development based on the satisfaction of human needs, which they organize into existential and axiological needs, the former including the needs of Being, Having, Doing and Interacting, and the latter including Subsistence, Protection, Affection, Understanding, Participation, Idleness, Creation, Identity and Freedom. Comparing this framework with that of income-based approaches to wellbeing and quality of life, we move closer to a more human-centered perspective on development within the wellbeing economics framework.

Similarly, in an effort to design alternative indicators of social wellbeing, the New Economics Foundation (NEF) has made the case for the creation of National Accounts of Wellbeing, in order to measure people’s subjective experiences, feelings and perceptions of their lives, with a view toward shedding more accurate light on the “relative success or failure of countries in supporting a good life for their citizens.” The NEF framework seeks to measure both personal and social wellbeing, taking into account the emotional aspects of positive (and absence of negative) feelings, optimism, resilience and self-esteem perceptions on life satisfaction, vitality, and “positive functioning” related to autonomy, competence, engagement, meaning and purpose, as well as social aspects of supportive relationships, trust and belonging, and wellbeing.
at work.\textsuperscript{31} NEF’s earlier work on the \textit{Wellbeing Manifesto} has also been instrumental in the evolution of the field, identifying the key contributors to individual wellbeing as genetics and upbringing; social and recreational activities; and meaningful work; with marginal influence on wellbeing attributed to life circumstances (income, possessions, where you live and the weather).\textsuperscript{32}

This model is similar to that of Gross National Happiness (GNH), developed as official policy in Bhutan and based on four pillars: sustainable and socioeconomic development (economic self-reliance); preservation and promotion of cultural heritage; preservation and sustainable use of the environment; and good governance.\textsuperscript{33} Other projects are beginning to follow suit, including OECD’s Better Life Index, which incorporates non-material indicators of quality of life, and the Happy Planet Index, which focuses on environmental impact and socioeconomic indicators in addition to traditional income measures.

However, while these more complex models may offer innovative ways of evaluating poverty and wellbeing from an external perspective, it is still important to recognize that the concept of wellbeing is so subjective in nature that it is quite problematic to assume as an outside entity that what constitutes wellbeing in one community or society will be the same for others across the globe. This understanding differs from the perspectives of many of the wellbeing economics authors and new quality of life indexes mentioned above, which present a set of specific needs and indicators that assume that all people have the same needs, and thus similarly experience wellbeing when they are satisfied. Dasho Karma Ura, writing on Bhutan’s Gross National Happiness Index, understands this important point, conceding that “people are diverse in the ways and means they can have fulfilling lives. People have freedom of choice as to ways they can make life fulfilling, so not all variables have universal applicability.”\textsuperscript{34} Recognizing that each human experience of wellbeing is distinct and that human needs and the ways in which we prioritize the satisfaction of those needs differ across cultures and even within communities, this reality presents significant challenges for development studies in general, particularly given the desire to connect on-the-ground case studies with the larger framework and apply a universal, one-size-fits-all mentality to development strategies. In accordance with Arturo Escobar, however, “by now it should be clear that there are no grand alternatives that can be applied to all places or all situations,”\textsuperscript{35} much to the chagrin of mainstream development projects that would have us believe otherwise. This recognition is also the basis for the field of endogenous development, favoring localist approaches over the universalist model.

\textbf{Implications of Wellbeing Economics for Development Policy and Practice}

Taking qualitative aspects into account, wellbeing research deepens our ability to evaluate the lived realities of people and their quality of life needs as part of a more nuanced approach to designing development policy toward greater human security. Bruno Frey has developed a short list of economic policy recommendations stemming from happiness research, focusing primarily on the related experiences of leisure
and employment, suggesting that people are happiest when they are employed and when they have a balance of working time to free time. The concept of meaningful livelihoods also comes into play here, where type of work and its value-significance for the worker are important to the experience of subjective wellbeing. From a social-humanist perspective, life satisfaction and contribution to society are derived from the realization of individual potential through outlets to explore unique passions, skills and talents in the form of work.

John McKnight comments that building a sustainable community begins with mapping its assets. This starts with an inventory of the skills, talents and capacities of the community, recognizing and mobilizing these assets so that people “will be part of the action, not as clients or recipients of aid, but as full contributors to the community-building process.” This conceptualization of a community whose citizens are active contributors to society through the realization of their individual talents and skills is reminiscent of the fundamental socialist principle as regards labor and distribution, “from each according to his ability, to each according to his needs,” a reflection of “such a time as [when] abundance permits activity and enjoyment to be one—that is, for labor to be ‘life’s prime want.’” This conversation is increasingly important to the field of human security as the focus shifts toward the fulfillment of wellbeing and meaningful livelihood needs as a foundation for human-centered development. Lebowitz comments that what is missing is a “focus on the full development of human beings . . . the emphasis upon the development of people through their activity in the sphere of production and in every aspect of their lives, the development of socialist human beings.”

As conversations continue creating new means of evaluating wellbeing and supporting its realization in the field of development, there is need for subjective indicators of wellbeing to be developed from the community level up as an internal representation of quality of life, rather than being determined by a top-down expression of outsider opinion. In this way, we might come to understand what subjective wellbeing really looks and feels like so that local and national policies can be more responsive in supporting the full realization of human potentialities and satisfying social needs toward improving quality of life. Lending further credibility to the subjective wellbeing model, a recent publication by Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi lauds subjective wellbeing research for its utility in providing key information about quality of life, even calling for statistics offices to incorporate values-based questions in their surveys. While this statistics-oriented recommendation—by seeking to “quantify the unquantifiable” and incorporate values research into top-down policy strategies—may minimize the protagonist role for community articulation of subjective wellbeing in directing economic and development policy objectives, it is indeed a positive sign that economists are now recognizing the wellbeing revolution as a force to be reckoned with.

Aware of the need for local articulations of wellbeing at the community level, Mark Anielski’s innovative research methodology on subjective indicators of wellbeing as
presented in *The Economics of Happiness* is a useful starting point for practitioners interested in this emerging development paradigm. Anielski’s work is based on his own realization that “future well-being indicator work should have a firm foundation in quality of life values expressed by citizens in the community,” and that “values, principles and beliefs define the conditions of well-being.” As such, he has described genuine wealth as “the conditions of well-being that are true to our core values of life,” employing this definition as the basis for engaging with local communities to first determine what their core life values are, and then developing subjective, context-specific indicators to evaluate community well-being based on the satisfaction of those core values. Anielski’s methodology rests on the process of “soliciting values from citizens in a community . . . to establish well-being themes and to create associated well-being indicators as proxies for these themes,” a clear representation of the relational re-juxtaposition of development indicators and the articulation of what constitutes social wellbeing. Contrasting markedly with the top-down, external and universalist approaches described previously, Anielski’s model is community-driven; first engaging communities to determine their own values of wellbeing and then deriving associated indicators to reflect those values. These indicators then serve as the point of analysis to evaluate wellbeing and quality of life, a process he calls the “Genuine Wealth Inventory and Assessment.” The final steps involve creating a well-being report to guide policy recommendations and development projects, with the explicit goal of soliciting support from the community and government to fulfill important wellbeing needs currently unsatisfied in the community. In this way, the bottom-up approach of the Genuine Wealth Model for Communities serves to define, evaluate and articulate the wellbeing needs of the community, in an effort to elicit effective policy responses from within and above (community and government levels, respectively).

Anielski’s work is an illustrative example of how the Genuine Wealth Model methodology supports local development by providing a strong foundation for communities to chart their own unique development paths through relevant projects and local government policies. This enables them to guide municipal planning founded on the values and wellbeing needs articulated by the community itself: endogenous development in action. By connecting community-driven, values-based approaches to wellbeing with responsive policy to satisfy local needs, Anielski’s innovative methodology generates important feedback...
loops, effectually bringing us closer to supporting development for human security and sustainable communities—“good lives for all people in harmony with nature.”

With the wellbeing economics framework in mind, let us now look at relevant examples from the South of homegrown values being articulated by social movements, and manifest in development projects geared toward improving social wellbeing and human security in contemporary Latin America.

**Buen Vivir and Development in Post-Neoliberal Latin America**

**Latin America’s Post-Neoliberal Policy Framework**

In December 2012, the Associated Press reported on a Gallup poll of citizens’ levels of happiness in countries around the world, highlighting that seven of the ten countries with the happiest people are in Latin America, with figures based on people’s responses to whether they were “well-rested, had been treated with respect, smiled or laughed a lot, learned or did something interesting and felt feelings of enjoyment the previous day.”

While we are wise to take perception-based polling data with a grain of salt, the results of this study may indeed reflect larger trends across Latin America, as citizens respond to the evolution of their countries’ socioeconomic and political realities at the start of the twenty-first century. Many scholars of Latin American political economy have begun referring to the region’s contemporary economic, political and social context as a post-neoliberal era, identifying a set of policy characteristics that link the political projects of the region’s majority leftist governments, while still acknowledging the diverse and heterogeneous nature of each country’s policy agenda. With significant improvements in reducing poverty and inequality through progressive social policies, post-neoliberalism in Latin America warrants a closer look, particularly given its role as a receptive framework for incorporating national development projects influenced by social movements articulating wellbeing priorities to guide development policy.

The post-neoliberal policy framework is the region’s response to decades of neoliberal development projects that exacerbated poverty and inequality, making Latin America and the Caribbean the most income-unequal region in the world at the turn of the new century; peaking at a Gini coefficient of 0.53 in the early 2000s, with over 36 percent of its population living in poverty in 2001. Similarly, in 2003, the richest 10 percent of the region’s population earned 48 percent of total income, whereas the poorest income decile earned only 1.6 percent. Despite this stark social reality inherited from the neoliberal era, twenty-first century Latin America has made significant progress following the election of leftist leaders and their subsequent implementation of new social and economic policies intended to improve the quality of life of the region’s poor and middle classes. Writing on the political economy of Latin America, Peter Kingstone acknowledges the consensus in the field that social spending and social policy reform in the post-neoliberal era—particularly in countries with leftist leaders—have contributed most to progress in reducing poverty and inequality. Nora Lustig’s research findings are even more specific, demonstrating that poverty and
inequality dropped markedly throughout Latin America after 2002, and that leftist
governments—especially those representing the more “contestatory left” (Argentina,
Bolivia, Ecuador, Nicaragua and Venezuela)—have been most successful in reducing
poverty and inequality as a result of both social spending and the favorable commodity
boom.\textsuperscript{55} Furthermore, the Center for Economic Policy’s 2011 Report, using data on
income inequality from the Economic Commission for Latin America and the Caribbean
(ECLAC), similarly concludes that it is the so-called “left-populist” governments
(Argentina, Bolivia, Ecuador and Venezuela) who have effectively reduced income
inequality the most over the last decade.\textsuperscript{56}

And while Latin America’s leftist leaders have been criticized as authoritarian
and even undemocratic in mainstream Western media for their aberration from
the Lockean norms of more representative forms of democracy, rejection of laissez-
faire economics and prioritization of public ownership over private interests,\textsuperscript{57} their
experiments with participatory social democracy in the post-neoliberal era serve as
an inspiration for the Global South as non-traditional means of successfully reducing
poverty and inequality through ambitious policies to improve the living conditions of millions of citizens. These policies respond to the foremost challenge of putting forth “a development model—or models—
conducive to sustaining economic growth while distributing resources and opportunities widely
to segments of the population that had long been deprived of both.”\textsuperscript{58} Scholars have begun studying
Latin America’s contemporary post-neoliberal policy era, drawing specific attention to its emphasis on a
revival of the state in development. This model is characterized particularly by a continuation of market-
oriented, export-led, economic growth strategies; state
ownership of profits from natural resources; and tax
reform, greater social public expenditure and income
redistribution through social policies and safety nets
for the poor.\textsuperscript{59}

While the left-leaning governments implementing such interventionist policies
continue to be scrutinized internationally, the positive impacts of their policies on
poverty, inequality and social wellbeing speak for themselves, and are now being felt
throughout the region while still achieving enviable levels of economic growth. Even
many mainstream analysts are now apt to recognize the “good tidings from the south”
and the role social policy has played in their realization.\textsuperscript{60} In addition to pointing out
Latin America’s strong GDP growth of 5.9 percent in 2011, The Economist cites recent
ECLAC statistics showing that 30.4 percent of Latin Americans live below the poverty
line, which represents a steady drop from its peak of 48.4 percent in 1990, “the lowest
figure since more or less reliable statistics began to be collected in the 1970s—and
In the same piece, The Economist acknowledges as a factor in the region’s declining income inequality “better-targeted social policies, especially cash-transfer schemes for the poor.”

Similarly, a November 2012 World Bank report found that over the past fifteen years, more than 50 million people have risen into the middle class in Latin America, which now accounts for 30 percent of the population – on par with the size of the region’s poor population. The report, however, also draws attention to persisting disparities in the quality of social services, mentioning the need for improvements in health care and education specifically, and stating that “poorer families have no choice but to put their children in low-standard schools and their sick in poorly-funded hospitals, while the middle class spends substantial sums on private education and health care.”

While improvements in poverty and inequality should be celebrated as a much-needed step in the right direction, inequality in Latin America is still a dire reality requiring additional attention. Luis Regadas refers to “inequality by expropriation and inequality by disconnectedness,” resulting from unregulated trade liberalization favoring large corporations over small producers; corrupt elite plundering of public wealth under the guise of privatization; and the centrifugal income effects of the wealthy getting wealthier and those “disconnected” social sectors lacking financial, technological and educational resources increasingly unable to access the means necessary to improve their economic situation. It is the persistence of this type of disconnection and impoverishment that prevents nearly one-third of the Latin American population from fulfilling their basic needs for human dignity and social wellbeing.

While quantitative indicators indeed demonstrate progress on poverty and inequality, a more qualitative evaluation of subjective social wellbeing has yet to be conducted in any significant way in Latin America, with policies focusing mainly on top-down programs for income redistribution while glossing over structural concerns and context-specific community needs for meaningful livelihoods and the development of human potentialities. The incorporation of the concept of buen vivir into national development projects provides one such way of including locally articulated notions of wellbeing in the socioeconomic policy agenda, an experiment currently underway in both Ecuador and Bolivia. The analysis of these projects requires further discussion as an inspiring contribution from Latin America to the field of wellbeing economics for endogenous development toward inclusive human security.

Buen Vivir and Development in Ecuador, Bolivia and Beyond

Fatigued and neglected by their governments’ development strategies of the past, it is within the new post-neoliberal framework that Latin American nations and constituent social movements have begun articulating their own definitions of wellbeing and succeeding in influencing their countries’ development policies in innovative ways. Out of that progression has emerged the concept of buen vivir, which can be translated to mean “living well.” In countries such as Bolivia and Ecuador, new constitutions incorporate buen vivir as a social paradigm to “better the quality of life
of the population, develop their capacities and potential; rely on an economic system that promotes equality through social and territorial redistribution of the benefits of development; . . . establish a harmonious coexistence with nature; . . . promote Latin American integration; and protect and promote cultural diversity.” Authors describe buen vivir as a synthesis of indigenous cultural wisdom and Western concepts of modernity, moving away from the mantra of progress and wealth accumulation, toward a more holistic, meaningful and practical existence of living in harmony with one another and with the natural environment through cooperation and community solidarity. According to ecologist Eduardo Gudynas, buen vivir calls into question the entire conceptual basis of Western development as “a critique of conventional development ideas that defend perpetual economic growth, are obsessed with material accumulation and celebrate the mercantilization of Nature.” The wellbeing of the people is a central concern in the buen vivir paradigm, and it is not expected to result merely from the wealth spillover of economic growth, as promoted in the neoliberal development paradigm. Similarly, in the words of Pilar Chato, “buen vivir speaks of balance, of development on a smaller scale—sustainable, in harmony with Mother Earth. The principal concern is not to accumulate; on the contrary, it points toward an ethic of sufficiency for the whole community, not only for the individual.” In this way, buen vivir provides a relevant basis for development projects seeking greater sustainability and human-centered approaches to social wellbeing.

This relationship between the renascent lifestyle concept of buen vivir and its development policy application is a powerful experiment currently taking shape in Latin America. Indigenous movements in Ecuador and Bolivia have succeeded in articulating buen vivir politically, with both countries not only adopting the language of buen vivir in their new constitutions, but also incorporating it into their national development plans with the explicit goal of implementing policies to support the realization of buen vivir. In Ecuador, the indigenous Quechua concept of Sumak Kawsay (buen vivir), has been incorporated into the country’s 2009-2013 Buen Vivir Development Plan, which lists the following as explicit policy objectives among the government’s commitments and development priorities:

- Objective 1: Promote equality, cohesion and integration in social and territorial diversity.
- Objective 2: Improve the capacities and potentialities of the citizenry
- Objective 3: Improve the quality of life of the population
- Objective 4: Guarantee the rights of nature and promote a healthy and sustainable environment
- Objective 5: Guarantee sovereignty and peace, and promote strategic insertion into the world and Latin American integration
- Objective 6: Guarantee stable, just and dignified employment in its diverse forms
- Objective 7: Build and strengthen public, intercultural and common meeting spaces
- Objective 8: Affirm and strengthen national identity, diverse identities, plurinationality and interculturality.
- Objective 9: Guarantee the valid existence of rights and justice
- Objective 10: Guarantee access to public and political participation
- Objective 11: Establish a social economic system based on solidarity and sustainability
- Objective 12: Construct a democratic State for the realization of buen vivir

These objectives have inspired the creation of tangible policies implemented at the local level, with positive social impact measured thus far. Ecuador’s buen vivir policy experience tests the utility of “translating the abstract concept of buen vivir into practical socioeconomic development solutions” through its national Buen Vivir Development Plan. This contains a platform for meeting human development objectives, including: reducing poverty and inequality, strengthening human capacities and potential, improving the population’s quality of life and education, and building and strengthening public spaces. The social wellbeing outcomes of the policies implemented under the Buen Vivir Development Plan deserve recognition:

With poverty dropping from 37.6 percent in 2006 to 25.4 percent in June of 2012 and child labor decreasing from 16.9 percent to 5.8 percent over the same period, in conjunction with education spending increasing from $90 million to $763 million, it should come as no surprise that 53 percent of Ecuadorans believe that the State works in favor of redistributive justice, the highest ranking in Latin America. Similarly, satisfaction with quality of life among the poorest quintile in Ecuador grew from 15 percent in 2006 to 40 percent in 2012, highlighting that improvements in poverty reduction have been both quantitative and qualitative in nature.

As Ecuador’s buen vivir development project builds on its initial achievements in social wellbeing, the impact on expanding human security is only beginning to be felt, requiring further research into the ways in which policy can best respond to community needs.

In Bolivia, the concept of buen vivir (or Suma Qamaña in Aymara) has been adopted into the language of the Constitution, with the state promoting the ethical-moral principles of a pluralistic society: ama qhilla, ama llulla, ama suwa (do not be lazy, do not be a liar or a thief), sama qamaña (buen vivir), ñan dereko (harmonious life), teko kavi (good life), ivi maraei (land without evil) y qhapaj ñan (noble path or life). The government went a step further by creating the 2006-2011 National Development Plan for a Dignified, Sovereign, Productive and Democratic Bolivia for Living Well (Vivir Bien). This project
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has since been replaced by the 2010-2015 Economic and Social Development Plan for Living Well (Vivir Bien), the tenets of which reflect an emphasis on finding balance between the material and spiritual realms of wellbeing, as well as the challenge of seeking harmonious social coexistence among a very plurinational society with diverse values and ways of life.⁷⁷

Bolivia’s first national development plan (2006-2011) defined Buen Vivir as including access to and enjoyment of material goods; subjective, intellectual, spiritual and emotional realization of identity; harmony with nature, living in balance with the natural surroundings; as well as community and coexistence among society.⁷⁸ Moreover, the development plan emphasized the following objectives:

- **A Dignified Bolivia**: Social and Communal—Eriddication of poverty and exclusion; Equitable norms of income and wealth
- **A Democratic Bolivia**: Social and Community Power—The people are the stewards of decisions over their own development
- **A Sovereign Bolivia**: International Relations—Interaction stemming from Bolivia’s national and sovereign identity

The country’s current 2010-2015 development plan builds on its predecessor by delineating the following development priorities: 1) a state led by social movements toward greater equity, including the adoption of communities’ ancestral wisdom, values and structures; the evolution and extensive development of rights; and participatory democracy under social control; and 2) a pluralistic economy based on community, state, private and cooperative forms of economic organization to improve quality of life through an interventionist state participating directly in economic and social activities, including the nationalization and administration of strategic natural resources, industrialization and participatory planning under social control; state promotion of community economies, social cooperatives and small- and medium-sized enterprises, equitable resource redistribution; state economic regulation to correct for market failures (monopolies); and economics to serve the people, including structural changes and social policies.⁸⁰

According to Bolivia’s Vice-ministry of Public Investment and External Financing, over the period of 2006-2010, public investment nearly tripled from $879 million to $2.2 billion.⁸¹ A 2009 report by the Center for Economic and Policy Research (CEPR) highlights that public investment jumped from 6.3 percent of GDP in 2005 to 10.5 percent of GDP in 2009, with social spending in particular growing from 1.7 to 2.7 percent of GDP with the creation of new social programs for health, education and cash transfers to the poor.⁸² While poverty and indigence statistics after 2009 are unreliable and hard to come by, ECLAC’s data show a significant drop in both measures over the seven-year period from 2002-2009, with poverty decreasing from 62.4 percent to 42.4 percent and indigence dropping from 37.1 percent to 22.4 percent over the same timeframe.⁸³ While, again, not illustrative of qualitative improvements in social wellbeing and indeed with more room for improvement, these statistics show marked progress in income redistribution and poverty reduction, primarily as a result
of increased public social expenditure funded by profits from natural resources, particularly hydrocarbons.

In both Ecuador and Bolivia, the *buen vivir* experience offers a hopeful example of local values and wellbeing needs being articulated by indigenous populations and incorporated into government policies, effectively establishing a two-way policy relationship between bottom-up and top-down approaches to development. At the same time, given the recent emergence of *buen vivir* as an influential driver for re-envisioning development policy, there are a number of considerations that warrant further review moving forward. Eduardo Gudynas has provided a valuable analysis of both Bolivia and Ecuador’s *buen vivir* policy framework, commending Ecuador’s development plan for providing “post-extractivist” socioeconomic objectives (in other words, finding ways to overcome the country’s dependence on natural resource exports and the extraction economy as the basis of its development model), while at the same time calling for more explicit mechanisms of policy implementation, follow-up and evaluation. Gudynas also offers a poignant warning regarding Bolivia’s continued reliance on conventional extractivist strategies with increasingly limited space for political debate on the subject. In addition, Maïté Niel expresses concern over ongoing tensions in the relationship between the state and the people, whereby “the true refounding of the State with the participation and consultation of different peoples, the recognition and implementation of self-government and the definition of corresponding public policies, is still pending.” These are valid structural and institutional critiques that extend beyond the discussion of *buen vivir* to the larger post-neoliberal framework as a whole.

While the pragmatic post-neoliberal paradigm may represent a shift toward social inclusion, more equitable wealth distribution, and greater state attention to the needs of the poor, it has been criticized by the left for its practical moderation as an outgrowth of the former neoliberal era, rather than representing a fundamental transformation in the social politics of power or the exploitative structures of production that generate inequalities and deepen poverty in the first place. Instead of seeking structural alternatives, the new Latin American left, writes Vilas, “ends up absorbing some of the worst habits of politics-as-usual, thus diluting its own proposals for transformation into a short-run pragmatism.” This reflects the reality that while the leaders of the new left have been elected on strongly anti-neoliberal political platforms, their anti-system rhetoric has fallen quite short of the true structural transformation needed to overcome the “redistributive effects and increasing social inequality [which] have in
fact been such a persistent feature of neoliberalization as to be regarded as structural to the whole project.” Instead, the new left exemplifies a policy pragmatism that favors the short-term and continues to promote the same unsustainable neoliberal means and capitalist relations of production that have exacerbated the social ailments that their new socioeconomic policies seek to relieve. In sum, the post-neoliberal project may be getting better at bandaging the wounds of the system, but for the most part, it has not dismantled the socially exploitative neoliberal machine it so vociferously claims and promises to oppose.

Thus, while the *buen vivir* paradigm presents an inspiring framework for revolutionizing development policy and practice, it is important to recognize current structural and institutional limitations that threaten the potential for a true transition toward post-extractivist, post-neoliberal development alternatives.

Meanwhile, current literature is apt in its recognition that the concept of *buen vivir*, like other articulations of social wellbeing, is itself of a subjective contextual nature, emphasizing that each community or people defines and experiences *buen vivir* differently, such that a universal definition can neither be determined nor applied to all communities. Despite their subjective nature, however, what connects distinct conceptions of *buen vivir* is their “vision of breaking with the capitalist, elitist and monocultural Western development model,” offering sustainable alternatives of human-, community- and environment-centered approaches to social wellbeing.

In contemporary Latin America, *buen vivir* as a development goal has become institutionalized, with development plans and social policies geared toward helping individuals and communities realize their potential for living well. However, the integrity of *buen vivir* as a useful development strategy is threatened by the lack of comprehensive understanding of what the concept actually entails in a practical sense, as well as which policy mechanisms are required for its full realization. In particular, if *buen vivir* indicators are to be developed as a means for engaging effective policy response, a subjective, context-based methodology such as that employed by Mark Anielski in *The Economics of Happiness* may prove useful in articulating subjective values and wellbeing needs, evaluating where gaps exist in the satisfaction of those needs, and serving as the basis for local and national governments to respond accordingly. This sort of two-way symbiosis between bottom-up and top-down approaches to development would bring us closer to establishing an effective alternative development paradigm for social wellbeing and inclusive human security.

**Conclusions: Wellbeing Economics and Buen Vivir for Endogenous Development Toward Inclusive Human Security?**
If one of the primary objectives of development is to satisfy the “freedom from want” aspect of human security, the first step is redefining “want” from a basis of subjective wellbeing, rather than from a universalist income- and consumption-centered mentality. In this transition, wellbeing economics and subjective methodological undertakings for determining local needs and values have a definitive role in the development process. As the buen vivir development experience is useful in illustrating, endogenous alternatives are emerging in the Global South, with the power to revolutionize the way we do development for greater human security; that is, if we begin taking them seriously and recognizing their meaningful contributions to a field in need of revival from within and inspiration from without.

Furthermore, revolutionizing development is not a question of adjusting targets, budgets and measurement criteria of the goals determined by experts in the North. Rather, what is needed is a complete overhaul of the faulty traditional development paradigm in exchange for new models articulated at the community and national levels around the world. This is the most uncomfortable and difficult reality we face, requiring fundamental structural changes in the international development discourse and larger global economic order—the implications of which are enormous and inconvenient, and precisely why the institutions of mainstream development cannot address it.

A more positive reality, however, is that peoples of the South are no longer waiting for practitioners in the North to change the ways they think about and practice development. Instead, alternatives from the South are emerging organically and powerfully in the form of new social movements, political parties and local strategies designing their own communities in their own best interest, rendering mainstream development increasingly irrelevant and outdated. Raj Patel writes of this phenomenon as the countermovement: “the people leading such movements are the poor, the dispossessed, the marginalized, the people on whose shoulders the externalities of the rich often fall, the world’s least free people who are discovering that they are The Change They’ve Been Waiting For.”

Buen vivir is an inspiring example because it lends credibility to the countermovement by finding power and influence at the government level, illustrating the connection between formerly marginalized social movements and responsive progressive governments, aligning to help people live in dignity rather than despair.

Buen vivir finds deep resonance within the wider global framework of what Smith and Max-Neef refer to as “an unstoppable underground movement of civil society:”

What we have is two parallel worlds. One concerned with politics, competition, greed and power, which seems to have everything under its control; and another concerned with equity, well-being, respect for life and solidarity, which doesn’t control anything, but grows and expands as an unstoppable underground movement of civil society . . . [T]he latter, because of its dispersion, its diversity, its fierce independence and its chaotic structure, cannot be beheaded nor can it collapse . . . The need for radical change of the dominant economic model underlies all the components of the movement” [italics added].
This movement of civil society is making its presence felt in both the Global North and South, as a reaction to the harms of modern lifestyles of overconsumption and profit-seeking plunder and exploitation. Even citizens in the North have begun expressing their desires to escape the ills of modernity, to “un-develop” for greater sustainability, sufficiency and a return to the “human home:” “[A]ccepting and living by sufficiency rather than excess offers a return to what is, culturally speaking, the human home: to the ancient order of family, community, good work, and good life; to a reverence for skill, creativity and creation . . . to communities worth spending a lifetime in; and to local places pregnant with the memories of generations.”

This is not merely a coincidental convergence of similar yet unrelated calls for individual and social change, but rather an early reflection of what Morris Berman calls “the waning of the modern ages:” “the dual process of the disintegration of capitalism and the concomitant emergence of an alternative socioeconomic formation;” what is to be “the central story of the rest of the century.” In the case of buen vivir, the alternative socioeconomic formation is taking shape as a new experiment in endogenous development, with a strong national political component to give it teeth. In this way, the buen vivir model moves closer to satisfying Lindner’s requirements for the transition to a “dignity economy,” which “requires a multi-thronged approach with two core moves . . . It must be a hybrid bottom-up and top-down approach. A simple combination of bottom-up and top-down would not suffice, because we cannot wait for the majority of the world’s citizens to become Mandelas from the bottom up. We can also not wait for the politicians of our time to implement necessary changes from the top down.” As the interests of government and social movements conjoin over the implementation of buen vivir as a development strategy for social wellbeing and human security, we find hope in envisioning development alternatives to support the full realization of human potentialities, community livelihoods and relevant ways of living in harmony with nature.

While hope is in the air, serious structural limitations persist. Although post-neoliberal projects in Latin America may be a step forward for social policy toward redistributive economic justice and poverty alleviation, the unsustainable character of export-led growth, natural resource dependence, and still very exploitative relations of production inherent in post-neoliberalism’s ongoing continuation of neoliberal economic pursuits will need significant adjustment if human-centered development objectives are to be realized. In the words of Arturo Escobar, this is the alternative to development driving the buen vivir movement: “this is the moment to change our development model, from a growth-oriented and extraction of natural resources oriented model to something that is more holistic, something that really speaks to the indigenous cosmo-visions of the people in which this notion of prosperity based on material well-being only and material consumption does not exist.”

While hope is in the air, serious structural limitations persist.
As a starting point, and stemming from a wellbeing economics perspective, post-neoliberal Latin America will benefit from deeper analysis into community wellbeing needs to create useful feedback loops between policy implementation and local impact. The incorporation of *buen vivir* into national development projects is an important indication that some governments are moving in this direction. However, utilizing a methodology similar to Mark Anielski’s Genuine Wealth Model to establish stronger linkages between local communities and development policy will help this process have greater impact and sustainable staying power, ideally contributing to more cooperative and meaningful systems of local production and political organization to replace governments’ heavy reliance on natural resources and export-led growth strategies to fund public expenditure on social programs. Constructing society around the satisfaction of values-based wellbeing needs will indeed require structural changes not yet experienced in Latin America, perhaps ushering in post-neoliberalism’s post-extractivist phase by redefining social and power relations for inclusive human security, human dignity and sustainable lifestyles based on the tenets of *buen vivir*.

Endnotes


3 This methodology draws from similar studies conducted by Mark Anielski in Alberta, Canada, for his research into *The Economics of Happiness* and will be explained in greater detail in a later section. Mark Anielski, *The Economics of Happiness: Building Genuine Wealth* (Canada: New Society Publishers, 2009).

4 The hybrid bottom-up and top-down model is developed by Evelin Lindner and will be discussed at greater length in the concluding section. Evelin Lindner, *A Dignity Economy: Creating an Economy that Serves Human Dignity and Preserves Our Planet* (Oregon: World Dignity University Press, 2012).


6 The Millennium Declaration can be read online at: <http://www.un.org/millennium/declaration/ares552e.htm> (accessed December 28, 2012).


Harvey, 19.

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*ibid.*, 53.


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Alan Thein Durning, “Are We Happy Yet?” in *Ecopsychology* (San Francisco: Sierra Club Books, 1995), 69-70.


Anielski, 133.


31 Ibid., 21.


36 Frey.


40 Ibid., 180.


42 Anielski, 13.

43 Ibid., 19.

44 Ibid., 21.

45 Ibid., 78.


47 “Study: Latin Americans Are World’s Happiest People,” Associated Press, December 19,


49 “Following the election of Hugo Chavez in Venezuela in 1998, leftists were elected to the presidency of Brazil in 2002, Argentina in 2003, Uruguay in 2004, Bolivia in 2005, Ecuador, Honduras and Nicaragua in 2006, Paraguay in 2008, El Salvador in 2009, and most recently Peru in 2010. Kingstone (2010, P. 91) writes, ‘By 2009, more than half of Latin America’s nations had voted in leftist presidents and more than 60 percent of Latin Americans were governed by them’. These numbers have risen since then, demonstrating a strongly leftward trend in Latin American politics and political economy.” Excerpt from Tara Ruttenberg, “Economic and Social Policy in Post-Neoliberal Latin America: Analyzing Impact on Poverty, Inequality and Social Wellbeing,” Ciencia & Tropico. Forthcoming publication.


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59 Grugel and Riggirozzi.

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77 Maïté Niel, “The Concept of Buen Vivir,” Título de Experto en Pueblos Indígenas, Derechos Humanos y Cooperación Internacional (Instituto Universitario de Estudios Internacionales y Europeos “Francisco de Vitoria”, Universidad Carlos III de Madrid. Getafe,
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79 Ibid.

80 Ibid.

81 As cited in Ministerio de Planificacion del Desarrollo y el Estado Plurinacional de Bolivia, “Politica Economica en el Marco del PND y Sus Perspectivas.”


84 Gudynas, “Buen Vivir: Un necesario relanzamiento.”

85 Ibid.

86 Ibid.


88 Harvey, 16.

89 Much of this paragraph is borrowed from Ruttenberg, “Economic and Social Policy in Post-Neoliberal Latin America: Analyzing Impact on Poverty, Inequality and Social Well-being.”


91 Niel.


94 Durning, 76.


96 Lindner.