

# Localisation: The Economics of Happiness

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When I first arrived in Ladakh in 1975, I felt as though I had discovered paradise. Never before had I experienced a culture so beautiful and harmonious, nor had I ever encountered people who seemed so deeply at peace with themselves. In Ladakh at that time, I saw how self-reliant, land-based village economies supported a web of interdependent relationships between individuals, and between people and the natural world. These long-lasting, resilient connections were the foundation for a deep sense of security, self-respect and humility, which in turn translated into a remarkable openness, tolerance and spiritual wisdom, and irrepressible joie de vivre.

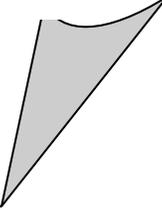
However, as the global economy encroached on Ladakh through the process of 'development', self-reliance was undermined, and community ties gradually got replaced by monetised transactions. Foreign corporations grew their profits, while wealth inequality and abject poverty increased and people were pushed to move off the land and into the swelling and polluted town of Leh. At the same time, media images, tourism and schooling that glamorised urban, Western lifestyles and denigrated village living, began to infiltrate the psyches of Ladakhi people. For the first time, I heard them describe themselves as 'backwards', 'stupid' and 'poor'.

Many of the problems common in Western, so-called 'developed' countries began to occur in Ladakh for the first time: unemployment, inter-religious conflict, epidemics of mental illness and environmental degradation.

So, while traditional Ladakh opened my eyes to the roots of genuine wellbeing and sustainability, the advent of globalisation in Ladakh clearly illuminated the systemic cause of many of the global crises we are facing today. My experiences in Ladakh sparked a lifelong mission to spread the word about the flawed global development model, and to promote a shift in the opposite direction – towards economic *localisation*.

The following paper, which is a precursor to the 21<sup>st</sup> International 'Economics of Happiness' conference, is a deeper investigation into localisation; about why it is needed, and how we can work together – at both the grassroots and policy level – to make it happen.

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Around the world, we are facing unprecedented challenges: from climate change to the breakdown of community, from a mental health crisis to growing wealth inequality and unemployment. In both richer and poorer nations, we are seeing epidemics of depression and suicide. With the gap between rich and poor widening worldwide and decision-making moving away from communities to distant, centralised structures, conflict and violence are on the rise. Even in Ladakh, these modern problems are increasingly apparent, and the future looks unsure. But there is also reason for hope. Local communities and governments around the world are taking action – for example in the LAHDC’s ‘Organic Ladakh Mission’, Looms of Ladakh, and the local food and crafts market; and the current DC’s various initiatives to limit automobile traffic and promote public transportation, among others.

Most of the problems we face are caused or worsened by the globalising economic system. This means that we can begin to solve a lot of problems *simultaneously*, if we focus on changing the economic model, rather than attempting to address each problem separately. Advocates of globalisation argue that the corporate-led growth economy serves the good of all, and is helping to create a “global village.” But at its core, globalisation is a political and economic process that deregulates and subsidises global resource extraction, trade and investment – enabling big businesses and banks to enter and dominate local markets worldwide.<sup>1</sup> This has meant the end of many local producers and small businesses and a massive loss of dignified local livelihoods.

Economic growth and globalisation have come at a high price. The gap between rich and poor has reached shocking levels, and continues to increase. It has caused distorted economic priorities of commercialism and consumerism to override all other considerations, in the process displacing locally-adapted, interdependent economies and diverse cultures. This, in turn, has led to a number of serious problems. Because ever-expanding economies require ever more resources, nature is being destroyed and biodiversity is rapidly declining. Meanwhile, catastrophic amounts of waste are being produced – including plastic, toxic chemicals and greenhouse gases that are destabilising the climate. The global economy is also affecting our personal well-being. People are losing financial security as they are pushed into a global competition for scarce jobs, along with the psychological security that springs from meaningful work and lasting connections to people and place. Meanwhile, advertising and consumerism – key drivers of the global economy – harm psychological well-being by pushing isolated individuals to seek fulfilment through material goods and spreading unrealistic and superficial images of “beauty” and “success.”

While these and many other problems are structurally connected to economic globalisation, the huge scale of the economy makes it hard to see those links: the distances between producers and consumers have grown so wide that it has become very difficult to make ethical choices. A bottle of soft drink bought in Ladakh might be robbing a village in Kerala of its water. Today, much of the food consumed in Ladakh is imported from outside, and this makes it impossible to know who produced it, where it was grown, what chemicals may have been used, and so on. It is as if our arms have grown so long we cannot see what our hands are doing.

For the past 30 or so years, India, like most other countries, has embraced economic growth and globalisation as the path to prosperity. This process has inevitably affected Ladakh as well, undermining its local economy. This process continues today with new free trade treaties being negotiated that favour corporate investors over local communities.

## From Global Dependence to Local Interdependence

By analysing globalisation, we are well-positioned to diagnose its problems, and see ways to *unmake* the system, and *remake* better ones. In other words, by understanding how this system works at a fundamental level, we illuminate effective strategies for systemic change towards genuine peace and sustainability.

If globalisation is at the root of so many problems, it seems obvious that localisation – a shift away from the global and towards the local – offers a systemic answer. Such a shift will require efforts on two very different levels:<sup>ii</sup>

1. **Community initiatives** and alternatives supporting and creating millions of community-based economic structures to reweave the social and economic fabric in ways that meet human needs while caring for the earth.
2. **Policy changes** – shifting taxes and subsidies and regulations towards supporting local economies operating within ecological limits; re-regulating trade, finance and corporations to enable the bottom-up initiatives to flourish and spread more widely.

Localisation is a process of economic decentralisation that enables communities, regions and nations to have more control over their own affairs. This does not imply that every community must be self-reliant, but it does mean shortening distances between producers and consumers wherever possible, producing for local needs first, while strengthening and diversifying economies at the community and national level and building up direct democracy in the process.

A localisation movement is already underway. On every continent, people are coming together to both resist corporate domination of the economy, and to protect local ecosystems and communities by building place-based economies and reweaving the fabric of relationships.<sup>iii</sup> These initiatives are testimony to people's strength, perseverance and good will, and, if supported by policy change and media, have the potential to multiply rapidly, transforming our political and economic landscape over the coming years.

This counter-movement is alive in Ladakh too. More and more young people are becoming aware of the inter-related nature of modern-day problems, and of the need to create local alternatives, rooted in traditional wisdom, that simultaneously provide livelihoods, security, reconnection, ecological protection and hope for the future. More and more of them are moving beyond the notion that 'success' lies outside of Ladakh, and are finding ways to cultivate true wealth and wellbeing closer to home.

Creation of positive alternatives is evident in the work of many local organisations that are helping to preserve, regenerate and enhance local knowledge systems and wisdom traditions to build a better future, for example through promotion of organic farming, training in traditional crafts, and village revitalisation. There are many other hopeful signs too, such as the emergence of local garment design shops and local and traditional food cafes which source ingredients from nearby villages and promote traditional dishes.

Action is happening on the political level in Ladakh as well, as mentioned at the beginning. Many other policies to prevent or mitigate the negative effects of globalisation and to encourage a sustainable, local economy (like more local markets, government procurement of local crops, incentives for local food enterprises, etc.) could be explored. For example, special taxes and bans on junk food, packaged beverages and single-use plastics,<sup>iv</sup> and support for local markets, government procurement of local produce, incentives for local food enterprises are measures that will reduce waste, improve health, support local producers and strengthen local economies at the same time. Although Ladakh may have relatively little say in the Indian government's international trade policies, the Hill Council and individual MPs can actively propose alternatives to the global economic growth model and the so-called "free trade" treaties that push this model upon us all.

At the political level, localisation is the economics of both justice and sustainability, because it can dramatically shrink the gap between rich and poor, while reducing energy use and pollution. At the personal level, localisation is the economics of happiness, because it reconnects us with community and nature.

This paper has been produced by Local Futures and JULAY LADAKH. Local Futures is an international NGO – founded by Helena Norberg-Hodge – with roots in Ladakh. For more than 40 years now, Local Futures has been raising awareness about the need to shift direction, away from globalisation towards localisation. JULAY LADAKH is a Japanese/Ladakhi NGO, founded in 2004 by the current Director Skarma Gurmet, to actively engage in sustainable development in Ladakh through international exchange and cooperation between Ladakh and other countries, in particular Japan.

You can read more about the global to local strategy in  
***"Localization: Essential Steps to an Economics of Happiness"***  
<https://www.localfutures.org/publications/free-downloads/>

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- i Norberg-Hodge, H. (2016) *Localization: Essential Steps to an Economics of Happiness*, ch. 15 ('Subsidising Inefficiency') and ch. 16 ('A Subsidy Primer') [<https://www.localfutures.org/publications/free-downloads/>].
- ii Norberg-Hodge, H. (2016) *Localization: Essential Steps to an Economics of Happiness*, 'Part III: Getting From Here to There' [<https://www.localfutures.org/publications/free-downloads/>].
- iii For many inspiring examples around the world, please visit: <https://www.localfutures.org/programs/global-to-local/planet-local/>. For India specifically, please visit: <http://vikalpsangam.org/>.
- iv As for example instituted by the government of the South Pacific island nation of Vanuatu: Roy, E.A. (2017) 'South Pacific islands ban western junk food and go organic', *The Guardian*, 2 February [<https://www.theguardian.com/world/2017/feb/03/south-pacific-islands-vanuatu-torba-ban-western-junk-food-health-organic>].