



## Introduction

I BELIEVE WE ALL SHARE a common yearning for happiness and ultimately love. Each of us has our own unique journey in discovering these ultimate ends. But what are the determinants of happiness and our conditions of well-being — our genuine wealth? What, as Robert Kennedy challenged, makes life worthwhile? How might we measure our happiness and incorporate these measures into conventional economic measures of progress like the GDP?

Prompted by such nagging questions I began a journey into the origins of economic thought and economic systems. I realized that economics is more like a religion than either art or science. The more I probed its tenets, the more the scales of economic dogma fell from my own eyes and the eyes of those with whom I shared my ideas. In a sense our hearts began to open to truths that have long been stifled.

While some have defined economics as the dismal science, I find it akin to religion precisely because economic principles and tools form the guidance system of our modern states. Economists are the high priests of our capitalist systems. I count myself among the economic priesthood — but I am a priest who longs to understand the very premises and value-origins of our thought. As a professor of business and economics, I have found a hunger among my students to understand more clearly the articles of faith behind business practices. Many students question whether profit and financial wealth maximization should be the primary goals of business; they long for a more meaningful world where corporations are governed by ethics and principles of social and environmental responsibility. I am buoyed by this new generation of business

and economic graduates who understand at the heart level that the current “new world order” can and must change.

In economics we have reduced humanity to a collection of individual, independent, utility maximizing creatures. Success is defined by the accumulation of material and financial wealth over a lifetime. We are born into this free market ideology without questioning its morality or ethical foundations. So watermarked is this spirit of economics and capitalism on our lives that even though our hearts cry out for a more meaningful and genuine existence, we are sucked back into the squirrel cage of capitalism, running faster and faster to “keep up with the Jones,” lamenting as we imagine a simpler, more meaningful, more genuine life.

I firmly believe we are at an important tipping point in human history. A shared consciousness is emerging which will be supported by enlightened, life-affirming economics. This book presents my future vision: stewardship of what I call Genuine Wealth — those conditions of well-being that align with our heartfelt values about what makes life worth living.

*The Economics of Happiness* has four primary goals. First, I explore the nature and spirit of the current economic system. I want to better understand why many in the sustainability movement can’t seem to move towards a genuine, living and sustainable economic system. I wonder how Adam Smith’s seminal economics text, *The Wealth of Nations*, failed to consider the Old English origins of the word “wealth,” which literally means “the conditions of well-being.” The important work of Amitore Fanfani traced economic and capitalistic thinking back to the European Middle Ages where Fanfani located a pre-capitalist model that the sustainability movement may find desirable.

My second goal is to introduce the concept of Genuine Wealth: a new and compelling model for managing our personal, household, business and community well-being in accordance with the values that define our quality of life. Genuine Wealth is a practical system which measures and manages for sustainability the total capital assets of a community or organization. Synthesizing emerging concepts like natural capital and social capital, Genuine Wealth creates a more comprehensive accounting system where human, social, natural, built and financial capital are all integrated into the balance sheet. This vision of a living, sustainable economy is founded on the mutually reinforcing and integrated principles of efficiency, equity and reciprocity and was inspired by the cooperative economy of Emilia Romagna, a flourishing and vibrant region of Italy.

Thirdly I provide examples of applications of the Genuine Wealth model at the personal/household, corporate/business, community, state/provincial and national scales. I present stories from Nunavut in Canada's Arctic, the City of Santa Monica, California and Leduc, Alberta and explore systems like the US Genuine Progress Indicators (GPI) and the Alberta GPI Sustainable Well-being Accounting System.

Fourthly I examine the nature of money and the current debt-based banking system. Mountains of unsustainable debt and the practice of charging interest on loans actually lead to the destruction of living capital and fundamentally undermine sustainable economies of well-being and happiness. I offer examples of alternatives to the current banking systems like the JAK Members Bank in Sweden, a cooperative member-owned bank that does not charge interest on loans. I present a Genuine Wealth money and banking model that returns the power of money creation to the people in community. Money could be created to serve the genuine needs of an economy of happiness, and private banks, by providing wise financial counsel to households and businesses, could contribute directly to the development of genuine economies of well-being.

While there is a growing library of books about sustainability, I offer here a new paradigm which is also a pragmatic system for the management and stewardship of the common wealth of nations. While other books might despair at the sad state of the world and our environment, *The Economics of Happiness* holds out hope that a genuine renaissance in economics, accounting and business practices is possible and that you and I can build communities of genuine well-being and happiness, a vision that is shared by many. This book is optimistic and predicated on faith that people of all nations understand intuitively what needs to change in order for humanity to move towards a more sustainable future.

— MARK ANIELSKI  
Edmonton, Alberta, Canada