

Between the line of Happiness and Development

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Abstract

Answer to question that the road to happiness of a country is through human development or not are analyzed in this article. GNH index is calculated with the factors like GDP per capita income, Social support, Healthy life expectancy, Freedom to make life choice, Generosity and Perception of Corruption. Similarly HDI of a county is calculated with factors such as education, health and income. It is not an easy task to scale these factors in quantifiable terms yet UNDP and other institutions have made it possible to measure. India is not scoring high on both but some of its neighboring countries have managed to bag high ranks. Barring aside some exceptions, it is observed that happiness of a country increases with the growth in human development.

Key Words: *GNHI: Gross National Happiness Index, GDP: Gross Domestic Product, HDI: Human Development Index.*

I. Introduction

What is your level of happiness? Have you noticed the happiness level of the people around you or living in your country? Are the people from the developed nations happier? Is happiness directly proportionate to human development? Can economic growth induced development ensure happiness? Is the Happiness Index and Human Development Index are directly related or inversely? Issues relevant to the answers of these questions are highlighted below.

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The theoretical study of happiness, its effect on overall quality of life, satisfaction, well being is a combination of economics and psychology added with sociology. Further, it focuses on happiness related issue, rather than income, wealth or profit maximization. Countries not only have begun to understand the importance of it but also are shaping their long-term vision to accelerate human development in order to achieve happiness. This has grown substantially since the late 20th century by the development of methods, surveys and indices to measure happiness and related concepts ^[1]. By the implementation of proper methodology overall happiness of a region or of a country can be measured in quantifiable terms.

Measuring happiness is not an easy thing. A great degree of difficulty is associated with it in order to quantify, scale and measure the indistinctly uncomplicated sounding word “happiness”. The very concept may pose challenges to the economics theory.^[2] The index shows six variables that contribute to the total score.

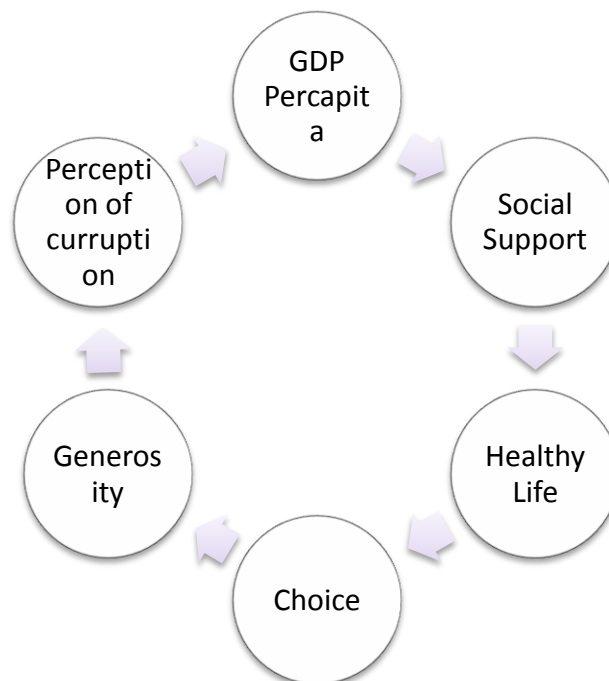


Fig: Components to measure Happiness of a country.

Components to measure Happiness of a country includes criteria like GDP per capita income, Social support, Healthy life expectancy, Freedom to make life choice, Generosity and Perception of Corruption ^[3].

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- a- The GDP is the gross domestic product of a country. It is the amount of goods and services produced inside a country. This is an economic measurement used to compare between two or more countries. The gross domestic product per capita is the average amount a person contributed toward the GDPI.
- b- Social support covers a wide range of disciplines including psychology, sociology, public health and social work. Social support has been linked to many benefits for both physical and mental health. It is the perception that one is cared for the assistance available from other people, and that one is part of a supportive network.^[3]
- c- Life expectancy is the average number of years remaining for an individual or a group of people at a given age. It refers to the characteristics of the relatively long life span of some members of a population. Moreover, because life expectancy is an average, a particular person may die many years before or many years after their "expected" life span.^[4]
- d- Freedom to make life choice describes an individual's opportunity and autonomy to perform an action selected from at least two available options without external influence.^[5]
- e- Generosity may be explained as extending a helping hand in support of somebody in many ways; it includes monetary and non-monetary support like emotional support in addition to sharing some body's problem and solving it.
- f- Perception of Corruption is considered as a very important parameter and having a bearing on happiness. Many economically developed countries are having a low rank in the happiness index because of this. Agencies like Transparency International are publishing an index known as Corruption Perception Index (CPI). This score enable to figure out how corrupted the public offices are as perceived by the people. This Index sends a powerful message to Governments and some time forced the policy makers to take notice and act. Behind these numbers is the daily reality for people living in these countries. The index may not capture the individual's level of frustration, but it does capture the informed views of analysts, businesspeople and experts in countries around the world.^[6]

Balanced and right proportions of all these six factors help to get a score and rank the countries around the world. In connection to happiness, Switzerland and Iceland have ranked 1st and 2nd with the score of 7.587 and 7.561 respectively, where as economically most advanced country like USA has ranked 15 with a score of 7.119. On the other hand, countries like Togo and Burundi are positioned in the bottom two with the score of 2.839 and 2.906 respectively^[7].India

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has not scored well in the happiness index either. World Happiness Report 2014 published by the Sustainable Development Solutions Network (SDSN), has placed India at 117th spot out of 158 countries considered in the survey. India ranks much lower than its neighbor Pakistan, ranked 81st. India's ranking in the World Happiness Index has dropped from 111 in 2013 to 117 in 2014, placing it in the company of Zimbabwe (115), Ghana (114), South Africa (113), Iraq (112), Iran (110), Bangladesh (109), and Palestine (108). The World Happiness Report 2015 published by SDSN.^[8] It is an initiative started in 2012 by the United Nations, and was based on a survey conducted by research-based company of USA named Gallup over the period 2012-15. All things considered, it doesn't look good for India. Rated an unhappy place in 2013 with a ranking of 111, the country dropped six places to 117 out of 158 countries ranked in the 2014 list. It took into account data from 2012-2014, and was as usual was dominated by wealthy Nordic countries.^[9] The report said that "well-being and happiness are critical indicators of a nation's economic and social development, and should be a key factor to frame policy by the government." ^[10]

Reports like this pave the way to achieve societal well-being through sustainability. It focuses on honesty, fairness, trust, and good health besides other parameters. The evidence is useful to all government; wish to pursue the sustainable development goals (SDG). As a part of the research on happiness, factors defining quality of life for citizens are analyzed by the group headed by Professor John F. Helliwell, of the University of British Columbia and the Canadian Institute for Advanced Research.^[11] As stated by their team "we are encouraged that more and more governments around the world are listening and responding with policies that put well-being first. Countries with strong social and institutional capital not only support greater well-being, but are more resilient to social and economic crises,"

The First World Happiness Report of 2012, is widely considered as a proper document of social progress and goal for effective public policy. An increasing number of Governments are using happiness data and research to frame their policies that could enable people to live better lives. In some Governments are measuring subjective well-being and using the research as a guide to the design of policies and to deliver services.^[12]

The concepts of happiness and well-being are likely to act as a guide towards sustainable development.^[13] It calls for all societies to balance economic, environmental and social objectives. Traditionally policy makers pursue GDP and related growth in a lopsided manner. They overlook social and environmental objectives, resulting in negative impact on human

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wellbeing. Hence the Sustainable Development Goals are designed to help countries to achieve economic, social, and environmental objectives in harmony, thereby leading to higher levels of well-being for the present and future generations. The Sustainable Development Solutions Network, in its recommendations on the selection of SDG indicators, has strongly recommended the inclusion of indicators of Subjective Well-being and Positive Mood Affect to help guide and measure the progress towards the SDGs. Now many governments are supporting the inclusion of such happiness indicators for the SDGs. The World Happiness Report 2015 once again underscores the fruitfulness of using happiness measurements for guiding policymaking and for helping to assess the happiness in each society. Sustainability is an integral part of human development. Although it is not counted directly in the new method of calculation of Human Development Index, yet it remains as an integral part to measure the HDI without sustainable development.

The Global Sustainability Panel recommended the establishment of a Sustainable Development Index, a set of indicators that measured progress towards sustainable development. A new economic paradigm is needed to capture social, economic and environmental aspects of sustainable development.^[14] In the Rio+20 document of the United Nations Conference on Sustainable Development, “The future we want”, Member States recognized the need for broader measures of progress to complement gross domestic product in order to inform policy decisions better, and requested the United Nations Statistical Commission, in consultation with relevant United Nations system entities and other relevant organizations, to launch a programme of work in this area, building on existing initiatives.^[15]

Over the last decades, increasing concerns have been raised about the inadequacy of indicators of economic performance, such as GDP figures, as measures of social and economic well-being. As noted by the Commission on the Measurement of Economic Performance and Social Progress, time has come to give emphasis from measuring economic production to measuring people’s well-being. Measures of well-being should be on the basis of sustainability. Emphasizing well-being is important because of a gap between the information contained in aggregate GDP data and what counts for common people’s well-being.”^[16]

However, the importance of measuring well-being and happiness to inform national policy goals has been questioned, as these concepts have been often seen as individual pursuits based on subjective criteria, rather than as matters of national policy. Conclusions of ‘happiness surveys’ are usually based on information from WEIRD (Western, Educated, Industrialized, Rich

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Democracies) countries, limiting their credibility over other states. In addition, people's aspirations and standards change and there may be a happiness set point depending on an individual. It remains under the shadow of doubts about taking happiness seriously where hardship, poverty, disease, war and crime are ruthless reality of many people. Hence focusing on happiness may seem as a luxury.^[17] The fulfillment of basic needs is often seen as a prerequisite to general well-being. Despite these concerns, the pursuit of happiness is a stated objective in many national constitutions. Creation of an enabling environment for improving people's well-being is a development goal in itself. Overall, there is no doubt that Governments need to rework on their priorities. In the presence of, extreme poverty, and global warming generated by current production systems, focusing on other measures of well-being beyond rising incomes can only be wishful thinking. Some scholars also argue that, as we already live in the time in which humans influences have a deep impact on the earth's physical systems. Hence quest for happiness should be strongly linked to the quest for sustainable development. With the progress of research on happiness, the evidence of its usefulness in policy design is gradually emerging.^[18]

Researchers and theorists have different views on what constitutes happiness and well-being. Aristotle used the term "eudemonia", often translated as 'happiness' to describe a well-lived life. Such an understanding of 'happiness' would include not only satisfaction, but a sense of purpose in life, self-acceptance, autonomy, connectedness and psychological sense of vitality. Some academicians have added 'meaningful work' as one important ingredients of well-being. Whereas hedonists' theory consider 'pleasure' and 'avoidance of pain' as the main ingredients of well-being.^[19] Others believe that well-being necessitates several basic conditions, like health and good relationships. As it has a wide perception, some even consider the fulfillment of one's wishes and goals or only the subjective evaluation of life are key to well-being.^[20]

Measuring happiness requires differentiating between subjective happiness or affective happiness, having to do with joys and sorrows of day to day life, and 'evaluative happiness' which is having a link to those dimensions of life that lead to overall satisfaction or dissatisfaction like health, trust in institutions, vibrant community etc. Theorists have agreed that combined findings based on both subjective and evaluative data are be used for possible policy design. The growing availability of cross-sectional and longitudinal survey data on life satisfaction in many countries has given the opportunity to verify empirically what matters for individuals and what policymakers should take into account when attempting to promote personal and societal well-being. The dimensions of well-being are taken into account are:

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- a- Income (consumption, wealth, material well-being),
- b- Health (mortality, morbidity),
- c- Education (literacy, educational attainment),
- d- Democratic participation (elections, freedom of expression)
- e- Psychological experience (depression, enjoyment, etc.).^[21]

The key, measured external factors contributing to happiness are: income, work, community and governance, as well as values and religion. The personal variables include physical and mental health, family experience, education, gender and age. The wide array of econometric findings available display evidence on different cultural backgrounds relating to many aspects of well-being.

Government of many countries has made several efforts to measure happiness and life satisfaction reliably over time. The goal has often been to design social policies accordingly and avoid ‘happiness traps’, such as rising incomes not accompanied by rises in happiness.^[22] The Gross National Happiness Index concept of Bhutan assumes that sustainable development should take a holistic approach towards progress and give equal importance to non-economic aspects of well-being. The index is designed to create policy incentives for the Government, civil society and the private sector to increase overall well-being in Bhutan by (a) increasing the percentage of people who are happy and (b) decreasing the insufficient conditions of people who are not happy. Specifically, the Happiness Index aims to set an alternative framework for development, to provide indicators to sectors to guide development, allocate resources in accordance with targets, measure progress over time, and compare progress around the country.^[23]

On the other hand the human development concept as a key indicator of development started getting attention during early 1990s. Focuses were shifted from national income as the only indicator of development to expanding the choices people have. The concept of human development was introduced by the United Nations Development Programme in 1990 in the first global Human Development Report. In India, this coincided with a period of rapid growth and rising inequalities, where a need was felt to reinforce the idea that people matter, and India welcomed the concept of human development. Today, India has produced the highest number of HDRs in the world. Twenty-one Indian states have released HDRs and 80 districts are preparing district-level HDRs^[24]

The Human Development Index (HDI) is a way for people and nations to see the policy flaws of regions and countries. The this information is believed to encourage countries to shape their

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policies, although there is no evidence demonstrating the changes.^[25] The Human development Report (HDR) is based upon five number of Indexes and which can be categorized into three categories.

Category -1, related to human development is indexed as Human Development Index (HDI) and Inequality adjusted HDI. Under Category-2, related to Gender are indexed as Gender Development Index coupled with Gender Inequality. Category-3, this category describes poverty and indexed as multidimensional poverty index.

Human Development Index (HDI) doesn't use arithmetic mean $(A+B+C)/3$, because even large value in one part, hide deficiency in other areas. Example Arithmetic mean $(90,0,0)= 30$. so overall "good" development, but country has zero development on education and income part! Geometric Mean $(90,0,0)=0$ will disclose this bogusness.^[26]

The Human development Report of 2014 is aimed at reducing vulnerability, one of the key bottlenecks for human development. It is the results of economic shocks (instability), health hazards, arise from limited capability of socially excluded poor and informal workers. Adding to it natural disasters of all kind and climate changes affect the location, position in society of the vulnerable masses such as women, people with disability, migrants, minorities, elderly people and children. Vulnerability increases in emergence of conflicts, civil unrest occur due to low social cohesion, unresponsive institutions and poor governance affecting the whole communities and the region.^[24]

Two factors are particularly worrisome, and both relate to the environment.^[25] One is that India suffers from natural resource depletion at a rate that equals 4.9 per cent of gross national income, which must be placed against annual GDP growth in the last three years of 5.3 per cent. It does not help that the figure for China is 6.1 per cent, and that the average for Medium category countries is 7.7 per cent. It is a matter of concern that the picture on water. India draws 33.9 per cent of its renewal water resources each year, compared to a Medium category average of 13.9 per cent, and China's figure of 19.5 per cent. It should be clear that growth achieved while doing damage to the environment is not sustainable. If one factor in the additional point that the people who suffer the most on account of environmental damage are the poor, then it should be clear that a growth process that is environmentally harmful is also anti-poor.

New Life Index calculation has come out with changing its focal point (minimum and maximum of the life expectancy). For life expectancy, it has taken 1980-2010 as years which are

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considered to form these values. Minimum value for life expectancy is fixed at 20 years in new calculation. Maximum value for life index is kept at 83.2 years. To calculate Life Expectancy Index (LEI) as per new HDI calculation is based upon (LEI) = Life Expectancy of a country - 20 / 83.2 - 20

Education Index assessment as per new HDI calculation method:- Education Index (EI) assessment is composite of two indices. They are

1. Mean Years of Schooling Index (MYSI)

2. Expected Years of Schooling Index (EYSI)^[27]

In order to calculate Mean Years of Schooling Index (MYSI) as per new HDI, it is the years spent by a 25 years or older person in school. The low value was fixed at 0 and the maximum value for mean years of schooling is fixed at 13.2. These values are taken after observation of various countries in the time of 1980-2010

Formula to calculate Mean Years of Schooling Index (MYSI) = Mean years of schooling - 0 / 13.2 - 0. Mean value of Expected Years of Schooling Index (EYSI) is calculated as per new HDI by calculating the expected Years of Schooling by a 5 year old boy in a particular country. This assessment of goal posts (Minimum and maximum values) for expected years of schooling is also based on 1980 - 2010 in various countries. Low value for expected years of schooling is fixed at 0 and high value is fixed at 20.6.

Formula to calculate Expected Years of Schooling Index (EYSI) = Expected Years of Schooling - 0 / 20.6 - 0.

Education Index is calculated as $(MYSI \times EYSI)^{1/2} - 0 / 0.951 - 0$

Income Index assessment as per new HDI calculation method are done by setting of the base line as as per observations during 1980 - 2010 in various countries. Gross National Income per capita is taken as measure to calculate new Income Index in new HDI. Minimum income is set as \$163 and maximum income is set as \$108,211^[8] Income Index as per new HDI calculation formula is = $\text{Log}(\text{Country's GNIpc}) - \text{Log}(\$163) / \text{Log}(\$108,211) - \text{Log}(\$163)$

In order to calculate Human Development Index as per new method are Index (HDI) = $(\text{Life Expectancy Index} \times \text{Education Index} \times \text{Income Index})^{1/3}$

New Human Development Index (HDI) is geometric mean of Life Expectancy Index (LEI), Education Index (EI) and Income Index (II).

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After this calculation total value will be between 0 and 1. As per the values gained, countries will be placed in the list of division of countries. They are divided into very high human development, high human development, medium high human development and low high human development countries.

New method was introduced from 2010 Report onwards, published on 4 November 2010 (and updated on 10 June 2011), starting with the 2010 Human Development Report the HDI combines three dimensions:^[27]

- A long and healthy life: Life expectancy at birth
- Education Index is the Mean years of schooling and Expected years of schooling
- A decent standard of living: GNI per capita (PPP in US\$)

II. Conclusion

Both happiness and development indices are not only different, but are measured by different methods. Yet some core aspects remain the same. Like health, income and education linked to quality of life. Modernization led economic growth have helped to raise standard of living, rising incomes, need fulfillment yet it may not help to increase well-being. Many reports have indicated that an overall sense of security, strong family and friendship networks, as well as freedom of expression and other factors, strongly impact people's well-being. Governments and other stakeholders may need to foster numerous aspects of well-being beyond GDP growth. The need for policy interventions to ensure high employment, high-quality work, strong community with high levels of trust and respect, participatory governance to provide more choice, improve health care, family support in an individual's life, and quality of education. Generally Governments are encouraged to (1) recognize that PPP instead of GDP is a better indicator (2) integrate income and social policies better (3) develop policies for environmental protection (4) develop indicators to guide their policy design and monitoring in line with sustainable development objectives.

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