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Contradictions between Happiness Index and Economic Development Index

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Abstract

The duality in this world has brought us to that extent that whatever we are doing we are not contended. The economic competition has become the order of the day and that is causing serious conflicts in the society, family and individual lives. This paper aims in pointing out that even highest economic growth rates of the most developed states of the world are not sufficient to bring happiness and that is evident from the latest happiness reports of the UN. There is contradiction in the basic definition of growth and attainment of happiness as both are different dimensional facets of lives. One works at the physical level and other at the emotional and mental level. Therefore, it becomes imperative to bring a balance between the two so that human lives can become wholesome and happy at all levels. This has given rise to the new concept of Global Happiness Index which focuses on bringing a balance between Economic and Human Development Index with Happiness Index thereby, focusing on inner growth of soul consciousness with material and physical life abundance and bringing into a new era of global order where every human being will be self-sufficient, skilled and empowered to enjoy the richness of this human life in totality.

Keywords: Duality, Economic development, Happiness Index, Sustainable development, Development paradigm

1. Introduction

Today the whole world is going through a paradigm shift in the concepts of economic development and human development in terms of how we define our growth. The classical concept of free market economy was challenged by J.M. Keynes and this led to the growth of new dimension of state intervention in Keynesian economics which brought into light the concepts of maximum social welfare at its centre stage. Most of the post world war countries had been engaged in either developing their macro economic variables like national income, per capita income, capital formation, savings and investments and the like or they focussed in shifting their growth strategies on the development of human welfare through social sector i.e health, education, housing etc. and increasing the standard of living of people directly. But lately it has been accepted now that neither of two approaches have been accurate because it did not bring happiness to its people, rather created more consumerism, which led to the greed for more power struggle and exploitation of natural and manmade resources to its highest level and consequently resulted to emptiness inside every human being. Therefore, today the NEW WORLD ORDER which is very much being talked by the Human Conscious Groups has raised attention on focusing Global Happiness Index replacing economic and human development index and being projected as only mechanism of assimilating and balancing all growth strategies with inner happiness of humanity.

Conceptual framework

The United Nations just released its second World Happiness Report, which ranks countries according to happiness levels. Nordic countries are at the top this year, while the U.S., Egypt, and Greece are (surprise!) all more disgruntled than they were in years past.

Hence, researchers have become interested in alternatives—in particular, measuring happiness more systematically (though one recent study claims it's nearly impossible to create an economy based on happiness). The Organization for Economic Cooperation and Development now produces a Better Life Index, while Bhutan—a great advocate for happiness research—publishes a "gross national happiness" index.

The second United Nations World Happiness Report provides another snapshot, both ranking countries for happiness and delving into the factors that promote and hinder happiness. This year's report finds that Denmark, Norway, Switzerland, the Netherlands, and Sweden are the happiest countries, while the United States ranks 17th out of 156 countries. A string of African

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countries are at the bottom of the list, including Togo, Benin, and Burundi—along with some other countries, like Bulgaria (144th place) and Georgia (134th).

The report ranks the countries across six categories: GDP per head, "healthy life expectancy," "having someone to count on," "perceived freedom to make life choices," freedom from corruption, and prevalence of generosity. Each country gets a score out of 10, with Denmark achieving 7.7, and the average being 5.1. Togo, at the bottom, has 2.9.

The U.N. published a similar study last year, covering the years "between" 2005 to 2011; the latest report looks at 2010 to 2012. The good news: happiness has improved in 60 out of 130 countries. The bad news: it has worsened in 41 (some couldn't be compared from last time). The United States had a slight decline in its happiness number (minus 0.283)—about the same fall as Japan, Hungary, and Finland. Egypt and Greece saw the biggest drops of all, presumably because of political unrest in Egypt and economic woes in Greece.

Happiness gains were most common in Sub-Saharan Africa and Latin America. Two-thirds of South Asian countries

experienced decreases. Europe was split: six of 17 countries had increases, but seven had decreases (including Portugal, Italy, Spain, and Greece, which were hit by the financial crisis). Happiness was down in much of the Middle East and North Africa.

The report postulates that happiness is desirable not only as an end goal but also because it has beneficial side-effects—namely, that happier citizens are more productive, live longer, earn more, and contribute more to society. For that reason, the authors write, governments should invest as much in mental health and public services as they do in promoting economic growth.

The OECD also scores European countries highly for happiness. Sweden, Norway, Switzerland, Denmark, and the Netherlands are also in its top 10 (Australia is first). Meanwhile, the Happy Planet Index, produced by the U.K.'s New Economics Foundation, has Costa Rica, Vietnam, and Colombia as the top three. That report, however, focuses more on environmental impact than the other indexes.

WORLD HAPPINESS REPORT 2013

Figure 2.3: Ranking of Happiness: 2010–12 (Part 1)

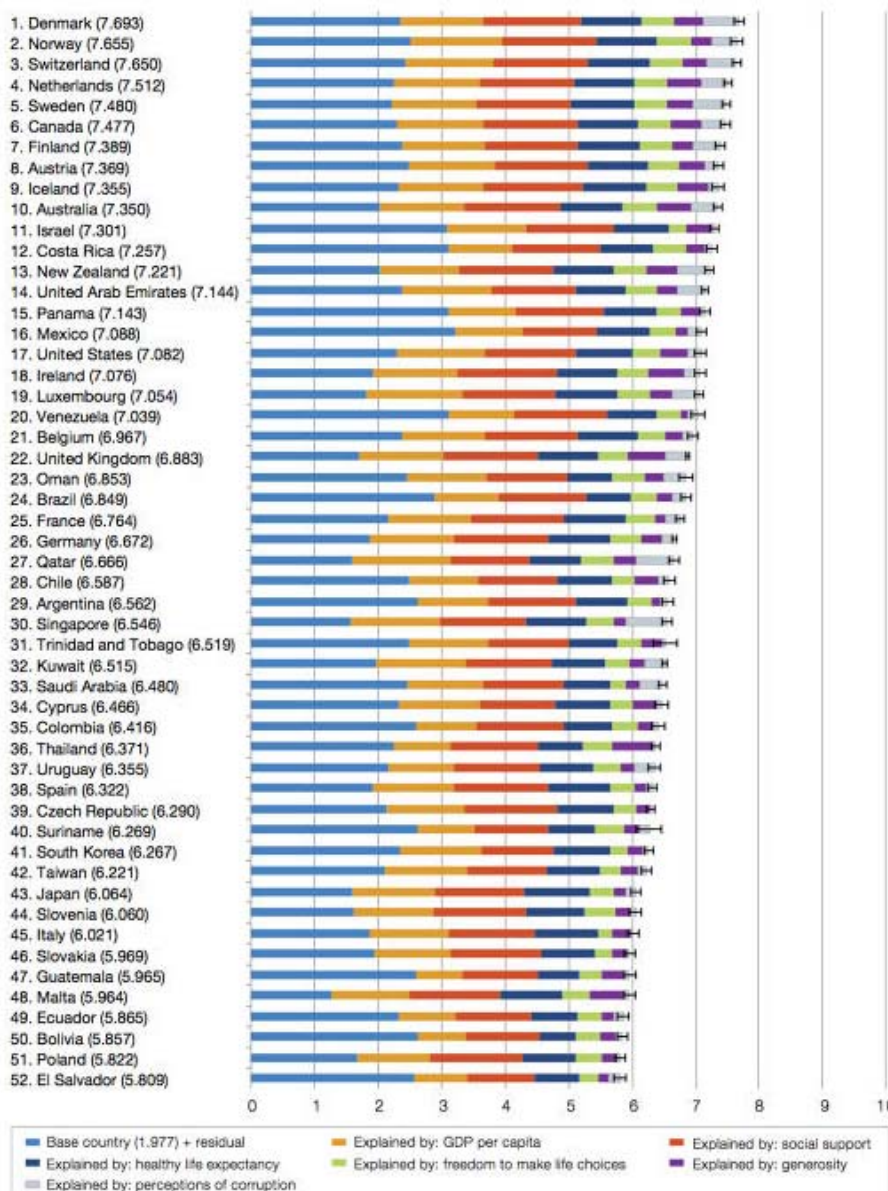
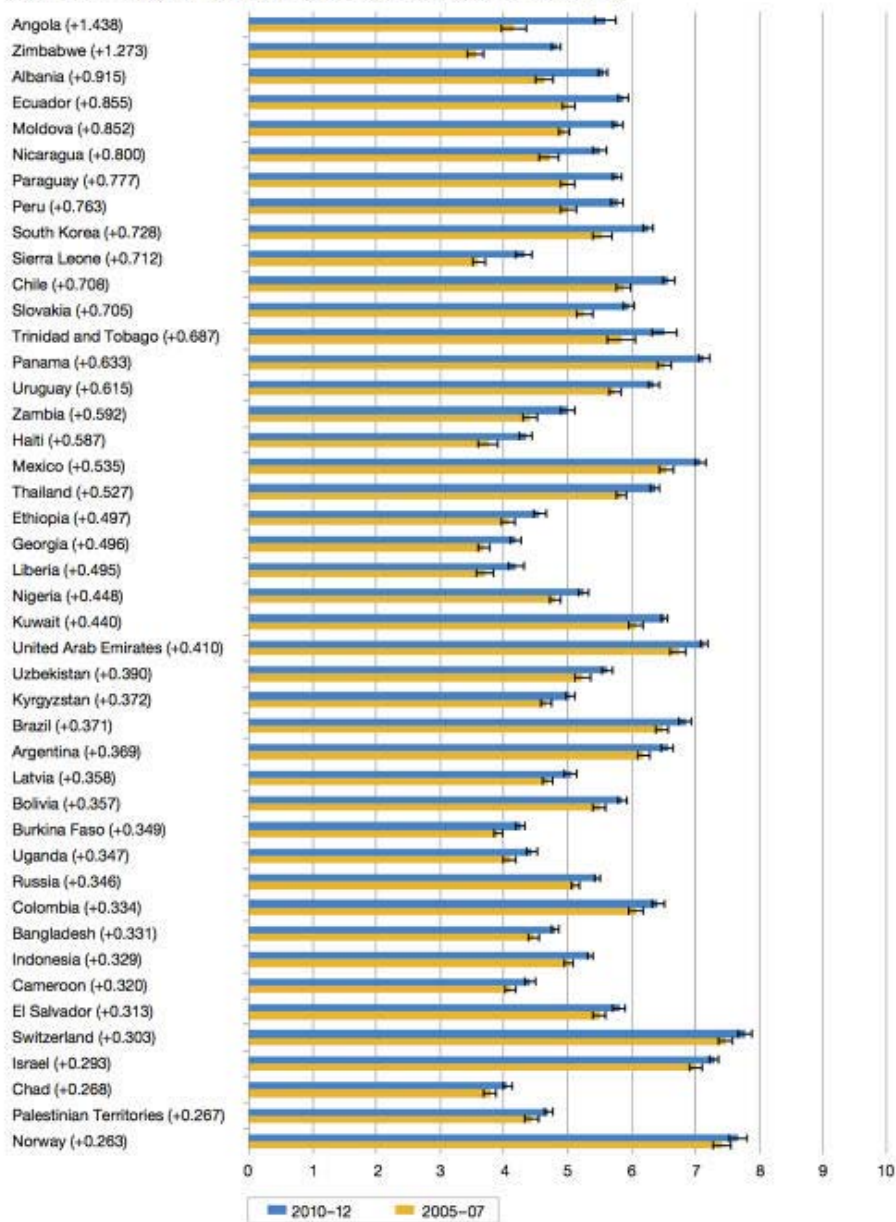


Figure 2.6: Comparing Happiness: 2005–07 and 2010–12 (Part 1)



Major Findings

The Danes’ reign as the happiest nation on Earth has been usurped by Switzerland, but the Nordic nations still take up half of the top 10 places on an exhaustive and increasingly influential index of global wellbeing.

In the third World Happiness Report, now encompassing 158 nations, Denmark has slipped to third, behind both the Swiss and Iceland, with Norway, Finland and Sweden also near the top. The UK is 21st, once place higher than the second edition, in 2013.

The study, edited by a group of international academics, including the celebrated US economist Jeffrey Sachs and Richard Layard, head of the Well-Being Programme at the London School of Economics, ranks countries by a series of factors, some nationally determined,

for example GDP per capita and healthy life expectancy. Others are worked out through information gathered via the Gallup World Poll, a vast system of surveys that began in 2005 and now covering more than 160 countries.

The idea of assessing population by contentment rather than just wealth has proved influential, and is promoted by both the United Nations, whose Sustainable Development Solutions Network publishes the index, and the Organization for Economic Cooperation and Development.

While the Himalayan kingdom of Bhutan remains best known for its “gross national happiness” credo, David Cameron was another pioneer, in 2010 instructing the Office for National Statistics to collate data on contentment.

The latest index offers few surprises, with the top nations – the first five are Switzerland, Iceland, Denmark, Norway and

Canada – also ranking among the world’s wealthier countries. Similarly, the bottom five – Togo, Burundi, Syria, Benin and Rwanda – have well-documented problems of unrest and extreme poverty, although the Palestinian Territories are ranked perhaps slightly higher than you might expect, at 108. The US is 15th, with New Zealand 9th and Australia 10th.

Speaking to reporters Sachs said that what he called “social capital” had as much impact as economics. This partly explained the US’s relatively low ranking, he said, because rising wealth had been matched by lower levels of trust in government. “This is a point that I think is fundamental: we have to pay attention to the strength of society as well as the strength of economies when we consider wellbeing.”

The 2015 report is the first to consider the findings by gender and age. Women’s evaluations of their wellbeing tended to be slightly stronger than those of men – on average 0.09 higher on a 10-point scale – although there were some variations by region.

Differences by age were both bigger and more varied, with the overall picture showing the positive outlooks of younger people tending to fall by almost 0.6 points by middle age, then remaining flat. However, even these were tiny compared with the overall differences between or within nations.

Despite the greater average optimism of youth, a chapter in the report on mental health in children found 10% of people under 18 have a diagnosable illness, such as depression or anxiety. More than half of these will go on to experience mental illness in adulthood.

Layard, said the findings emphasised the need to treat the issue seriously: “As we consider the value of happiness in today’s report we must of course also consider the need to invest early on in the lives of our children so that they grow to become independent, productive and happy adults, in turn contributing socially and economically.” Therefore, it is very obvious that only economic growth cannot bring sustainable development in the lives of human rather we need to revisit our growth and development paradigm and see how the Happiness is manifested in our lives only then growth of humanity is possible at the highest levels.

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