

# Human Development Index and Gross National Happiness Indices: A Conceptual Study

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## Abstract

*This study tries to explore the relation between Human Development Index and Gross National Happiness Index. In this process an attempt is made to trace the components of human development index and gross national happiness index. The Human Development Index is based on three dimensions i.e. longevity, knowledge and decent living standard and four indicators i.e. life expectancy at birth, mean years of schooling, expected years of schooling and Gross National Income. These dimensions measure the development of any country. Gross National Happiness measure has been designed to include nine core domains that are regarded as components of happiness in Bhutan. These domains are - psychological well-being, health, time use, education, cultural diversity and resilience, good governance, community, vitality, ecological diversity and resilience and living standard.*

*Although the happiness and human development approaches share much in common but a key difference between them is that while human development is first and foremost a conceptual approach, subjective happiness is an empirical one. Observations of the indicators used in the human development index and gross national happiness index reveal that they are quite dissimilar. But finally, we can conclude that they are complimentary to each other, they cannot use as substitute.*

**Keywords:** Happiness, Human Development Index, Gross National Happiness Indices, Bhutan.

## Introduction

At present each and every country has an aim to develop economically whether the country is developed or developing. All countries try to increase the level of employment and income. Generally increased level of per capita income and national income is the indicator of economic development.

Economic growth is measured by Gross National Product (GNP), Gross Domestic Product (GDP) and Gross National Happiness (GNH). In the developed nation due to capital formation industrial sector is well settled and employment level, income level, living standard and infrastructure all are in good condition. On the other side in the developing nations due to lack of capital and dependency on agriculture,

the level of employment, income and infrastructure is in very terrific condition.

Governments of all countries always try to improve its economic condition by making so many policies. But the question is that how to measure the economic development of a country. From a policy perspective, economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and retaining jobs and supporting or growing incomes. On basis of economic development at global level many indices are given like human development, human poverty index etc.

Human Development is just the expansion of income and wealth. Human development finds the theories of human capital formation and human resource development inadequate as they view human beings primarily as means rather than ends. Happiness is the ultimate aspiration of human being so the nation needs that their population has happiness. A country with happy population can develop so fast because happy man contributes more than an unhappy man. So, it can be said that HDI and GNH both are the best indicators of economic development of a country.

## Human Development Index

Pakistani economist Mahbub ul Haq created HDI in 1990 which was further used to measure the country's development by the United Nations Development Program (UNDP). The concept of Human Development is well defined and explained in the first Human Development Report which was published in 1990 by the UNDP. The report defines human development as a process of enlarging people's choices in a way which enable them to lead longer, healthier and fuller lives. Human Development is multidimensional and therefore, the indicators have been measured with a composite index so as to enable comparisons across the globe. Since the HDI is a summary measure of average achievements in three key dimensions of human development, it becomes a composite index.

The Human Development Index is based on three dimensions and four indicators. The three basic dimensions of Human Development index are longevity, knowledge, and decent living standard. The indicators are: Life expectancy at birth, Mean years of schooling, Expected years of schooling and Gross national income.

The Human Development Index (HDI) is a statistical tool used to measure a country's overall achievement in its social and economic dimensions. The social and economic

dimensions of a country are based on the health of people, their level of education attainment and their standard of living. Every year UNDP ranks countries based on the HDI report released in their annual report. HDI is one of the best tools to keep track of the level of development of a country as it combines all major social and economic indicators that are responsible for economic development.

### Gross National Happiness Indices

The term 'Gross National Happiness' (GNH) was first expressed by the King of Bhutan His Majesty Jigme Singye Wangchuck. It is rooted in the Buddhist notion that the ultimate purpose of life is inner happiness.

On April 2, 2012 this was followed by the first UN High Level Meeting on "Happiness and Well-Being: Defining a New Economic Paradigm," which was chaired by Prime Minister Jigme Thinley of Bhutan, the first and so far only country to have officially adopted gross national happiness instead of the gross domestic product as the main development indicator. GNH believes that happiness is the ultimate desire of every individual, and by extension, the responsibility and purpose of the state are to create the necessary conditions that enable citizens to lead the good life.

The original four pillars of GNH philosophy are - The promotion of sustainable development, Preservation and promotion of cultural values, Conservation of the natural environment and Establishment of good governance. These four pillars are divided into nine indicators- Psychological wellbeing, Health, Time use, Education, Cultural diversity and resilience, Good Governance, Community vitality, Ecological diversity and resilience and Living standard. In this perspective, 'happiness' comprises having sufficient achievements in six out of the nine domains. In practice, we look for achievement in 66% of the weighted indicators, whichever domains they come from.

### Conclusion

Although the happiness and human development approaches share much in common but after a careful observation of the indicators of human development index and happiness indices reveal that they are quite dissimilar. It is also important to note that human development indicators are objective indicators. it is not the same in the case of happiness index. The indicators in the happiness index are a

combination of subjective and objective evaluations of people's perception. Both the 'Gross National Happiness' measurement of Bhutan and the 'Happiness Index' of the U.N. are indices which combine the subjective and objective element.

Human development is a conceptual approach and increases in human development are – by definition – desirable, the broadness of the concept means it is not possible to measure completely the extent of human development across a society. On the other hand, while one can measure changes in subjective well-being across a population, one cannot, without further analysis, know how it could be improved. The two approaches thus offer views of development which could complement one another.

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