

GROSS NATIONAL HAPPINESS AND DEVELOPMENT



Edited by
Karma Ura & Karma Galay

དཔལ་འབྲུག་ཞིབ་འཇུག་ལྗེ་བཤེན་

The Centre for Bhutan Studies

GROSS NATIONAL HAPPINESS
AND
DEVELOPMENT

GROSS NATIONAL HAPPINESS AND DEVELOPMENT

**(Proceedings of the First International Seminar on Operationalization of
Gross National Happiness)**

EDITED BY

KARMA URA & KARMA GALAY

National Happiness: Universalism, Cultural Relativism, or both? An Assessment *By Chris Whitehouse and Thomas Winderl*

ABSTRACT

The concept of Gross National Happiness seeks to address perceived shortfalls in mainstream development thinking. Gross National Happiness is intuitively attractive, yet remains to be formalized; on the other hand, Human Development indicators are highly formalized but do not allow for national, regional or cultural differences.

By comparing National Happiness with the Human Development Index and its components, the paper explores the differences between them. Overall correlations between National Happiness and the HDI and its components are not strong. An analysis of data on 67 countries suggests that there are significant differences in which aspects of development correlate most highly with happiness, and these variations appear to be dependent on (a) whether HDI is high or low; (b) whether GDP/GNP is high or low; and on (c) the geographical location of these countries.

The paper argues that for National Happiness to be effective, it can, and should, accommodate both the need for a universally applicable measure, and the requirement for the means to achieve this happiness to be defined in the context of the relevant culture.

1. Happiness as the new development paradigm?

1.1. Challenging the Human Development Paradigm

The Himalayan Kingdom of Bhutan has taken the bold initiative of promoting Gross National Happiness as a development concept. This small country with a big vision is offering a conceptual challenge to current development thinking. At the same time, it is perhaps making a tongue-in-cheek broadside at the weaknesses inherent in Gross Domestic Product (GDP), which continues to be quoted in the development world as a key indicator of development. It has been suggested that GDP fails sufficiently to take account of transactions in the informal sector and of losses to a country's stock of raw materials. However, mainstream development economics argues that although taking a wider and multidimensional view is *conceptually* correct, GDP per capita still serves as a fairly good proxy for development.¹

¹ Ray, 1998, pp. 29-33.

The concept of GNH is much more than a poke of fun at GNP and GDP, however. It presents a challenge to the broader measures of development, such as those used in UNDP's Human Development Reports, including even the Human Development Index. Year by year, the number of measures given in those famous back pages of the Human Development Reports has steadily risen. The Human Development Index (HDI), created as a means to draw together some of the key measures into a single ranking, has been complemented by additional indices. The annual Human Development Report now includes new aspects to development, such as a focus on human and income poverty, and on gender.²

Recent decades have seen a shift in emphasis away from the idea that development would 'take off' once the necessary infrastructure was in place.³ There has been a gradual shift, too, away from a purely economic basis for development. Yet still development seems to be a puzzle, even for the practitioners. What is it that we are aiming for? And how can we assess the extent to which we are achieving the development we are seeking? The last decade saw a strong emphasis on the latter question with a general move of development organizations towards result-based management, logical frameworks and indicators to measure progress and success. However, as Eveline Herfkens⁴ has expressed it, there has been too much emphasis on doing things right, and too little thinking about doing the right things.

The "right things" should ideally be defined by the people affected by development activities. Although there have been moves towards greater decision-making at local levels, with more power in the development process being granted to the governments of the developing countries themselves, there is still a basic assumption that development is best defined according to universally accepted norms. No country can be described as developed if life expectancy is low, per capita GNP is insufficient, infant mortality is high, and so on. It has been accepted, perhaps without enough analytical thinking, that development can be

2 The human poverty index for developing countries (HDI-1) measures deprivation in the three basic dimensions of human development rather than average achievement. And since the classic HDI does not capture well the differences in high human development countries, the human poverty index for selected OECD countries (HDI-2) focuses on social exclusion. The gender-related development index (GDI) adjusts the average achievement of the HDI to reflect the inequalities between men and women.

3 The Human Development Report 2003, however, is again focusing more on the decisive influence of the geographic setting and the basic infrastructure of developing countries. It has to be seen whether this indicates a broader move of the development assumptions back to an emphasis on infrastructure.

4 Herfkens, 2001

National Happiness: Universal, Cultural Relativism, or both? An Assessment

defined and achieved without due consideration of regional or cultural differences.

The parallel with rural development is striking. Those visiting 'backward' village communities, armed with Participatory Rural Appraisal tools and other participatory techniques for needs assessment, face a similar dilemma. While the village people may perceive their development needs in one way, there is a limit to how much we can let their views influence development programmes. After all, how could they articulate their desire for street lighting if they have never experienced the benefits of electric power? How could they recognise the payback of increased literacy if none of them have ever been able to read a written word?

The reality is that yes, we can listen to the village people, but still we know best. The result will likely be that every village will end up receiving the same kind of development assistance, with local differences accommodated through token gestures of 'response to locally defined needs'. Thus schools might be built in each village, but the paintwork might be different.

And the same for many years has been true of consultants advising developing country governments on their development plans. Given the dramatically different problems and baselines in developing countries, one would expect that poverty reduction strategies, for example, would differ accordingly. The reality, however, is that those strategies – expressed in the Poverty Reduction Strategy Papers (PRSP) or national strategies – are astonishingly similar across the world.

The bandwagon effect is strong. Not only will the head offices of global development organisations be focusing on particular areas of development (e.g. UNDP worldwide focusing on its 'practice areas'⁵) – but these various development organisations tend to follow each other. Not so many years ago, women's literacy was the worldwide development fad supported and adopted by the majority of aid agencies; then environment and gender issues; now a rights-based approach. Funding support was once channelled through governments, and more recently through NGOs. Almost universally, development organisations have shifted from having large numbers of small projects, to small numbers of larger 'integrated' programmes. And it is likely that the fashions will change yet again, so the funding may again be through governments, projects will become smaller again, and it may be fashionable once again to build schools, roads and hospitals.

⁵ The practice areas in which UNDP currently is focusing its efforts since 2003 include Poverty Reduction, Democratic Governance, Environment and Energy, HIV/AIDS and Gender.

1.2. Possible contenders: Welfare, Wellbeing and Happiness

The idea of happiness as a societal goal is not a new one; it was not even new when the concept of Utilitarianism was developed, where the moral good of an act was to be measured in terms of the resultant increase in total happiness. Mainstream economics recognizes that the ultimate goal of an economic system is not to produce physical output, but rather to enhance the welfare of the participants in this system. Therefore, the efficiency of an economy should be judged by its contributions to the welfare of the households living in it. For John Stuart Mill and F.Y. Edgeworth, the welfare of society was based on the welfare of its individual members. Their “felicific calculus” tries to measure the “progress towards their objective, the greatest happiness of the greatest number, in an objective manner”.⁶

Following the “invention” of development in President Truman’s Point Four, the key element of development was identified as economic growth. This universal approach was challenged in the 1970s by the concept of self-reliance. Tanzania’s concept of *Ujamaa* (familyhood) and the emerging “basic needs” approach both stressed the uniqueness of development in different areas. On similar lines, the Dag Hammerskjold Foundation Report in 1975 rejects the notion of development as a simply economic process, and stresses that there is no universal formula for development.⁷

Yet none of these concepts have been widely adopted, perhaps because of the failure of their proponents to sufficiently operationalise these ideas.⁸ GNP-related measurements of development continue to dominate development discussion and practice. Even alternative measurements of progress, like UNDP’s Human Development Index, integrate GNP per capita as an essential component.

1.3. Bhutan’s concept of Gross National Happiness

The Himalayan Kingdom of Bhutan has entered the discussion with a catchy, if not new, philosophical idea: that Happiness, rather than economic development, is the ultimate goal of progress and development.

The basic idea behind this concept is that not only material well-being, but the composite satisfaction of material and spiritual well-being should be at the centre of development. It is not substituting the traditional Gross National Product as a proxy for development, but complementing it. The main difference between Gross National Happiness and Gross

⁶ Kay, 2003, pp. 177-178.

⁷ Rist, 1997, pp. 123-170.

⁸ Some – like the Tanzanian concept of *Ujamaa* – have been tried out in practice, but were not overly successful.

National Happiness: Universal, Cultural Relativism, or both? An Assessment

National Product is that that the former focuses on the end, and the latter on the means to this end. Efforts have been made to operationalise the concept, but with limited success. In a critical assessment of the concept, Stehlik describes Gross National Happiness as “a wonderfully fresh, yet familiar, paradigm, one which pro-actively deflects attention from the sinking paradigms of the past”. But “apart from proclaiming the GNH concept, Bhutan has done too little to fill it with flesh and bones”, thus “its core remains elusive, as elusive as happiness itself”⁹.

In Bhutan, a four-pronged working definition has emerged over the last years. As Lyonpo Jigme Y. Thinley proposes, “GNH is being presently pursued through four platforms: economic development, environmental preservation, cultural promotion and good governance”.¹⁰

Currently, the concept of GNH, despite its attractive label, is not so very different from UNDP’s concept of Human Development. It is also somewhat surprising that the interpretation of GNH in Bhutan is utterly secular. No direct link is made to the Buddhist belief system, as one might have expected in what has been described as “a Buddhist kingdom, the last remaining Vajrayana kingdom in the world”¹¹. Nevertheless, GNH serves as a crucial rallying point and distinctive label for Bhutan’s national identity and state ideology.

To bring sustainable life to the concept of GNH for Bhutan, it has to be operationalised. To be anything more than a curiosity, unique to a small, distant Buddhist Kingdom, the concept needs to be made universally applicable. It is argued here that the idea of GNH should not be left to peter out as a quirk of history, for there is truly an intrinsic value in the concept, and if well operationalised, it could indeed become a universal development indicator, maybe as a component of a future Human Development Index, or even its replacement.

Bhutan seems to be in a favourable and unique position to achieve this. It is a country of well educated people, with a strong and vibrant culture, and still free from many western influences. It is perhaps the only country in the world where a majority speak English well, but where there is no McDonalds to be found. Bhutan therefore is able to think analytically, argue effectively, and therefore also to define development in its own terms. The elites of many ‘developing’ countries might accept ‘universal’ concepts of development, due in no small part to their own personal western education, combined with the fact that their own country’s culture may be already weakened by past colonisations and

9 Stehlik, 2000

10 Lyonpo Jigme Thinley, 1999, p. 9

11 Royal Government of Bhutan, 2000, p. 20

exposures. Bhutan's leaders, however, are less influenced by the west, have stronger traditions and cultures to cushion the impact of western influences, and above all have a rare-to-find confidence in their own thinking, and in their own culture.

For GNH to survive, let alone to grow, as an accepted development paradigm, its proponents need to anticipate and respond to a number of key challenges:

Challenge 1: Happiness is purely psychological, and therefore is not an appropriate concept in development.

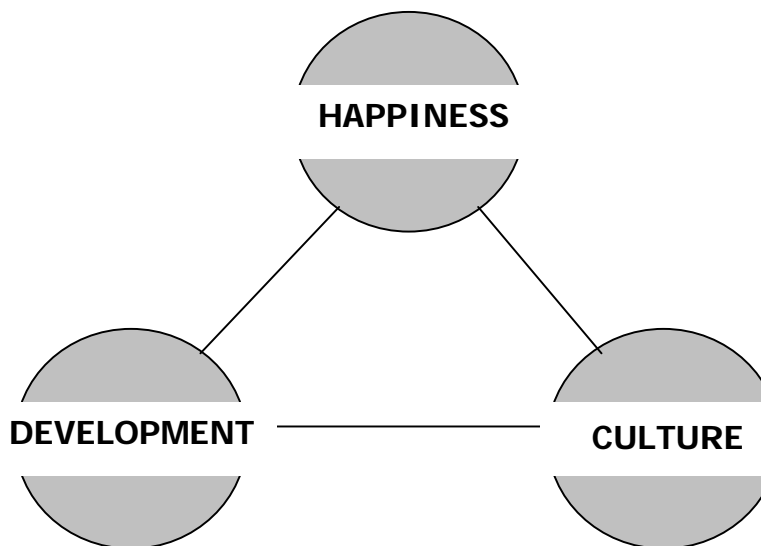
Challenge 2: Development is a concept which ranges from zero (caveman) to infinite, and can increase year by year. Happiness is of limited range only, and is liable to go up and down. For example, even after a substantial increase in happiness (e.g. the ecstasy resulting from a pay-rise, for example), the happiness level will return back down towards the average.

Challenge 3: Happiness is necessarily a subjective concept, so cannot effectively be measured, so even if it were a theoretically sound alternative to HDI, in practice it is of no use.

Challenge 4: GNH may be OK for the special case of a small Buddhist Kingdom such as Bhutan, but cannot be applied to other countries.

2. Measuring Happiness, Human Development and Culture

From a development perspective, the relationship between human development and the level of happiness is intriguing. A better understanding of this link could significantly change the way development is perceived and pursued. Furthermore, it is evident that culture and history play a significant role as well, as will be illustrated in more detail. In the following paragraphs, the authors seek to identify some of the possible causal relationships, and attempt to identify pointers for further investigations.



2.1. Measuring Human Development

The United Nations Development Programme (UNDP) has, through its Human Development Reports (HDRs), attempted to bring together a number of universally applicable measures in order to enable countries' development statuses to be compared both over time, and with other countries. Indeed, as development thinking progresses, there is a concomitant increase in the number of different measures given in the HDRs. In recent years, a formula has been devised, through which a number of key development indicators are compiled into a single measure, the Human Development Index (HDI) ¹². This has become a much used tool, and, since it is used to categorise countries into high, medium, and low human development, the HDI is now a key factor for donor countries deciding on their aid allocation.

However, there are three key challenges to the HDI and its component parts. Firstly, HDI by its very nature focuses on quantitative aspects of development, e.g. on GNP, number of schools, enrolment ratios, and so on, but ignores qualitative components of development. Secondly, the selection of those components and the development of the formula through which HDI is deduced have been carried out by experts from the

¹² The Human Development Index is constructed using three dimensions of human development: a long and healthy life, knowledge, and a decent standard of living. These dimensions are measured through life expectancy at birth, the adult literacy rate and gross enrolment rate, and GDP per capita (PPP US\$).

West, and from individuals in developing countries who may have been heavily influenced by western values. Thirdly, the flipside of HDI being a universally applicable measuring stick is that, by its very nature, it is unable to accommodate regional or cultural diversity, in terms of development priorities, traditional values systems, and so on. Hence the Human Development Reports provide us with details of schools and health facilities, but none of churches, temples and mosques; there is no mention of access to camels; nor of yak herd populations. And despite the current trend towards empowerment of people to make their own development decisions, and decentralisation of development as a whole, the very reliance we have on HDRs and the HDI itself serves to 'centralise' development thinking.

2.2. Measuring Happiness

The word "happiness" is intrinsically ambiguous in day-to-day language. Compare the durations of happiness in "He was really happy last night" and in "I like Susan, as she's such a happy person". For the sake of this paper, we shall ignore the fleeting, short-term aspect of happiness, and focus on happiness as satisfaction-with-life-as-a-whole, something which would be unaffected by taking alcohol, or losing a pet dog in a car-accident. There are increasing efforts worldwide to measure subjective happiness (or 'satisfaction with life as a whole') and to compare national averages - such as those found in the World Database of Happiness, and the World Values Surveys.

First, a clear definition in the national context must be the first step to establish GNH as an operationalised concept. Not surprisingly for a concept so young yet so complex, there is as yet no single succinct definition of the Bhutanese concept of Gross National Happiness. But a clearer definition - and an objective way of measuring progress over time and in different regions of the country - is a necessity for GNH to become a useful tool in international development (and, it is argued, even within Bhutan).

Second, a definition of GNH needs to be clearly different from other mainstream concepts of human development. Over recent years, the four platforms of GNH referred to earlier have developed into five interrelated objectives to achieve the overarching goal of GNH:

- Human development
- Culture and heritage
- Balanced and equitable development
- Good governance
- Environmental conservation ¹³

13 Country Presentation Bhutan 2001, pp. 40-41.

National Happiness: Universal, Cultural Relativism, or both? An Assessment

From these five objectives, a definition can perhaps be drawn up. However, such a definition of Gross National Happiness would again focus on the means to achieve GNH rather than focusing on the ultimate end, happiness. Such a definition would be, furthermore, not very much different from current mainstream definitions of human development.

Third, once such a definition is drawn up and agreed upon, it has to become measurable. There is little point in defining GNH when no means of measuring changes have been devised. Such measurement would indicate if adopted policies lead in the long run to the desired results, that is, in increasing the general level of happiness.

There is one respect in which Gross National Happiness should be no different from other development indicators - which is that when getting a national average score of happiness, any disparity between age-groups, across gender, race or religious groups, should also be noted and recorded. Just as we may seek to avoid national economic growth activities which negatively affect the economic levels of a certain group of the population, so also it may be inappropriate to carry out certain programmes to enhance GNH, if these will adversely affect the Happiness of certain segments of the population.

Summing up, in order for GNH to be successfully operationalised, it has to meet at least three key criteria:

- GNH has to be clearly defined in such a form that it can be understood and used, both in Bhutan and beyond its borders.
- To be valued as an alternative concept, there must be a clear distinction between GNH and other development indicators such as HDI.
- Whether in Bhutan or internationally, the status of GNH in a country has to be measurable, and then measured.¹⁴

There seems to be little doubt that Gross National Happiness has the potential to meet all the above requirements, and, indeed, that once these are met, GNH may turn out to be not only as good as HDI as a measure of development, but, through accommodating regional values differences, it may supersede HDI as the preferred development measure.

The five interrelated platforms to achieve GNH are not a definition per se. However, they can serve as an effective tool of guidance for development planners in Bhutan. It is suggested that if a definition can be developed which could be applicable to any country, then this would serve not only

14 Measurements can be made through the use of indicators (direct or proxy)

to clarify our discussions, but also serve as a foundation upon which countries, including Bhutan, could develop their own culturally- and regionally- specific definition of GNH. Thus, there could be a universally accepted global definition of 'GNH'; and local specific definitions of GNH-B (GNH for Bhutan), GNH-SL (GNH for Sri Lanka), and so on.

A summary of some key differences between the two types of development measure are given in the table below:

Aspect	Gross National Happiness (GNH)	Human Development Index (HDI)
Applicability	Applicable within a region, country, culture, etc.	Universally applicable
Extent to which quantifiable	Difficult to quantify	Quantifiable
Clarity of definition of concept	To be developed	Well defined, even if many people do not know the definition
Objectivity	Subjective (but it could be argued that it is an objective decision to measure subjective perceptions of citizens)	Objective (but it could be argued that the components of HDI were subjectively-selected)
Ability to accommodate cultural differences	Yes	No

2.3. Measuring Culture

There have been many attempts to define a 'national culture', and indeed its component concepts of 'nation' and 'culture'; and discontent has grown concerning the conceptual disarray around the idea of national culture. The distinction between an objective and a subjective component of national cultures still proves to be a sticking point:

The objective approach tries to pin down the various ingredients of a group of people in order to develop a national culture.¹⁵ It stresses the primordial roots of common ancestry and the ethno-cultural identity of a nation expressed in objective cultural characteristics.

The subjective approach stresses the will of a group to become and to be a distinctive culture. A national culture is based on an imaginary daily plebiscite, through which the members constantly approve their membership in a cultural group. It stresses the conscious construction of common myths, and the subjectivity of national characteristics.

¹⁵ Stalin, 1912 defined a nation in *Marxism and the National Question* by five elements: a stable community of people, a common language, a common territory, a common economy, and a common culture (Stalin 1912, p.272).

National Happiness: Universal, Cultural Relativism, or both? An Assessment

Measuring culture is therefore difficult. This paper assumes both that a nation shares a something of a related national culture, and that geographic areas such as continents share related cultures as well.

3. Happiness and Human Development

A number of studies have revealed that the relationship between happiness and human development is not straightforward: "Difference in income, education, occupation, gender, marital status and other demographic characteristics explain surprisingly little of the variation in people's level of subjective well-being"¹⁶.

Extensive work has already been carried out to assess subjective happiness levels worldwide, and valuable data on this has been made available on the internet, including the World Database of Happiness¹⁷, and the World Values Survey.

It is on the basis of this data that the authors have attempted to compare happiness of countries with other development measures, including the Human Development Index (HDI) for 1997 as reported by the United Nations Development Programme.¹⁸

Correlations of World Values scores, Database of Happiness, & Human Development Index

	World Values score	Database of HAPPINESS	Human Development Index (HDI) 1997
World Values score	1		
Database of HAPPINESS	0.94	1	
HDI 1997	0.47	0.32	1

As the table above shows, the correlation between the World Values score and the Database of Happiness is indeed high with a coefficient of 0.94. But the correlation between happiness in both surveys and the Human Development Index is relatively low with 0.47 and 0.32 respectively. But due to the extent to which happiness is by its nature difficult to quantify, the data has to be approached with caution. The data is limited not only in the extent to which data truly represent happiness levels in the various countries reviewed, but also in the range of countries studied. The majority are from Western countries, Eastern Europe, with

16 Inglehart/Klingemann, 2000; for an overview see Frey/Stutzer 2002.

17 Veenhoven, 2002

18 UNDP, 1999

reasonable coverage from Central and South America, but only a handful from Africa and Asia, and none from the Middle East.¹⁹

In the 67 countries reviewed by the authors, which were covered in both the HDR data and the World Database of Happiness (WDH), the correlations of Happiness with HDI, or any of the key sub-components of HDI, all appear to be low, as shown in the table below:

Correlations of Human Development Indices with Happiness

Human Development Indices	Correlation with happiness index
Human Development Index (HDI) 1997	0.32
Education Index 1997	-0.04
Life Expectancy Index 1997	0.31
GDP Index 1997	0.52
Gender-related development index (GDI) 1997	0.55

19 Correlations enable assessment to be made of the extent to which a rise or fall in one dimension is matched by a rise or fall in another. A correlation coefficient (r) of 1 implies that the match is perfect. If r is -1 , there is a negative perfect match (as one dimension rises, the other falls in value). Where r is anywhere between 1 and -1 , the match is imperfect. The closer the value is to zero, the less related the two dimensions are likely to be.

However, it is important to take account of the following notes of caution when looking at correlations in this study:

It must be emphasised that correlations never express causality. Any correlation that might be found between HDI and GNH, for example, should not lead us to infer either that an increase in HDI causes the rise in GNH, nor that high GNH results in an increase in HDI. Indeed, there may a third factor (or a combination of factors) whose increase might 'cause' both the GNH and the HDI to rise.

The extent to which a correlation is high is also highly affected by the number of pairs of data being considered. It is for this reason, therefore, that consideration was given in this research to those data-fields for which each country had a data entry. From the data available from the HDR, the total number of data fields which satisfied this requirement was 44 (out of an original 120 data fields).

Taking into account the above, the reader is advised to focus on the ranking of the correlations, more than on the actual 'r-value', since the data set sizes may not be identical - this is particularly true when reviewing data classified into geographical regions, where the numbers of countries considered ranges from 3 to 22.

National Happiness: Universal, Cultural Relativism, or both? An Assessment

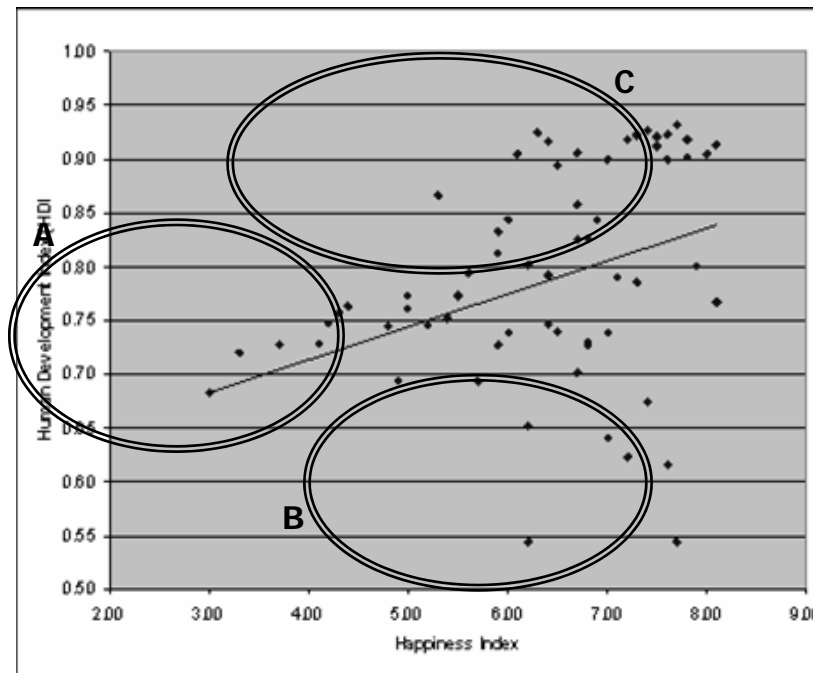
The Human Development Index shows with 0.3179 a surprisingly low correlation with the level of happiness. The same can be said for its three components: both the education index and the life expectancy index correlate very low (-0.0391 and 0.3118 respectively). A slightly higher correlation can be found with the GDP index and the gender-related development index (0.5178 and 0.5529).

A glance at a scatter diagram (reproduced below), showing the relationship between happiness and HDI, reveals some interesting possible patterns:

For countries scoring low on the happiness scale (below 5½), an increase in human development appears to result in a small increase of subjective happiness as well (see circle 'A').

Interestingly, countries at the low end of human development countries (below 0.7) tend to score higher on the happiness index (see circle 'B').

None of the countries with a relatively high level of human development (of over 0.8) is very unhappy (i.e. scoring below 5 in Happiness) (see circle 'C').

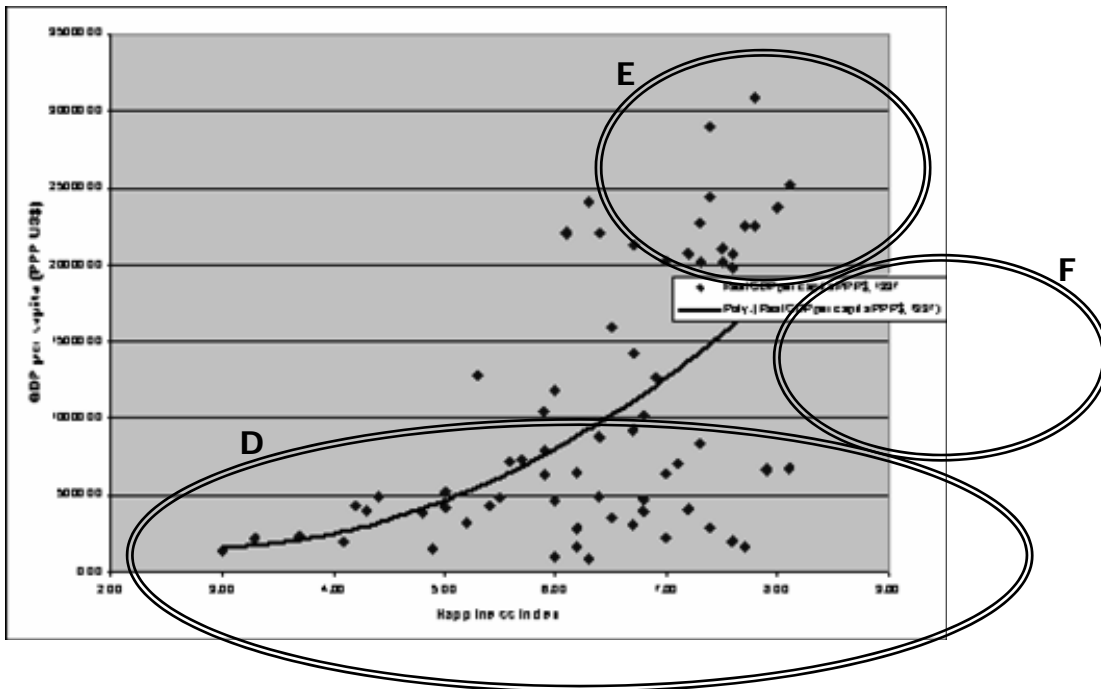


Since in the initial comparison of happiness with dimensions of human development, GDP has a reasonably high correlation, it seems worthwhile to examine the scatter diagram for GDP per capita in Purchasing Power Parity (PPP) terms as well. Again, a first analysis of the scatter diagram points to a number of possible relationships:

Again, at the lower level of GDP (below 8,000), happiness does not correlate strongly. It can be assumed that factors other than GDP play a dominant role (see below, circle 'D').

Above a per capita GDP of \$20,000, none of the countries captured by the surveys is extremely unhappy (i.e. none falls much below 6 in Happiness). One conclusion could be that if GDP does not necessarily bring happiness, it prevents you on a high level from being very unhappy. However, a reverse causal relationship would also be supported: if your general level of happiness is high (above 6), your economic output tends to be much higher (see circle 'E').

Furthermore, there are no countries with a medium-level GDP and a very high level of happiness. This could indicate that through increased economic development, general happiness is unable to reach or maintain very high levels, until this transition period is overcome (see empty circle 'F').



As a next step, in order to explore subgroups within the countries where data is available, an attempt has been made by the authors to break up the 67 countries into groups, and to study correlation results. The results need to be taken with a pinch of salt, especially where the number of pairs of data is small, but they may suggest areas requiring more detailed study.

The authors primarily used data from the HDRs, but through an internet search, were also able to include some other transparency measures

National Happiness: Universal, Cultural Relativism, or both? An Assessment

(such as transparency²⁰, press freedoms²¹). Then, only those measures for which data were available for each of the 67 countries were considered in this analysis. Thus the analysis was limited to 40 fields.

Firstly, the countries were split into two almost equal groups, with one group consisting of the top 34 in HDI, and the other of the bottom 33 countries. The correlations amongst each group between happiness and other measures given in the HDR were then carried out. It was found that in the bottom 33 countries, there were a larger number of high correlations between happiness and these measures; in the top 34 countries, the correlations tended (a) to be weaker and (b) to be different in nature:

List of measures which, when correlated with Happiness, revealed coefficients above 0.50, for “High” HDI countries, and for “Low” HDI countries:

High HDI Countries n = 34	r
Transparency - 2003 international corruptions perceptions index	0.58
Women in government, At ministerial level %, 1996	0.58
Real GDP per capita PPP\$, 1997	0.52

Low HDI Countries n = 33	r
Population aged 65 and above as % of total, 1997	-0.76
Total fertility rate, 1997	0.72
Population aged 65 and above as % of total, 2015	-0.71
Female economic activity rate age 15, Index, 1985=100, 1997	0.69
Dependency ratio %, 1997	0.67
Under-five mortality rate per 1,000 live births, 1970	0.67
Real GDP per capita PPP\$ rank minus HDI rank	-0.61
Electricity consumption, Per capita kilowatt-hours, 1996	-0.61
Female economic activity rate age 15, Rate %, 1997	-0.60
Women in government, At ministerial level %, 1996	0.60
Female economic activity rate age 15, As % of male rate, 1997	-0.60
Main telephone lines, Per 1,000 people, 1996	-0.59
Dependency ratio %, 2015	0.59
Televisions, Per 1,000 people, 1996	-0.59
Adult literacy rate %, 1997	-0.58
Education index	-0.56

From the above table, it can be seen that in the high HDI group, there were no correlation coefficients above 0.6 between Happiness and other

20 Transparency International, 2003

21 Freedom House, 2000

measures given in the HDR. In the low HDI group, however, eleven correlations were above 0.6, of which three were higher than 0.7.

It is also interesting to note that the three highest correlations of happiness for high HDI countries (of transparency at 0.58; women in government at 0.58; and real GDP per capita at 0.52) scored amongst the very lowest in the low HDI countries (-0.02, 0.40, 0.16 respectively). Conversely, the top three correlations for the low HDI countries (population over 65 in 1997 at -0.76, total fertility rate 1997 at 0.72 and population over 65 in 2015 at -0.71) were amongst the low correlations of the high HDI group (-0.10, 0.32, and -0.13 respectively).

The greater number of high correlations in low HDI countries may indicate that those countries do not have the luxury to choose their means to happiness; while, high HDI countries, no longer worried, perhaps, by comparatively unimportant differences in HDI measures, can diversify in their expressions of happiness.

Furthermore, it is worthwhile to note that for low HDI countries, there are some very surprising correlations. The correlation of happiness with education index in this group, for example, is negative, at -0.56. It is also negative for adult literacy (-0.59), for number of televisions, and number of telephones per 1000 population (both at -0.59). It is negatively correlated to HDI 1997 (-0.32), life expectancy index (-0.22), and has very low correlations with GDP index (+0.11) and GNP per capita, 1997 (+0.05).

Similar patterns emerged when the countries were grouped according to their GNP per capita in 1997, as illustrated below.

List of measures which, when correlated with Happiness, revealed coefficients above 0.50, for “High” GNP countries, and for “Low” GNP countries:

High GNP per capita '97 n = 34	r
Transparency - 2003 international corruptions perceptions index	0.69
Real GDP per capita PPP\$, 1997	0.66
GDP index	0.64
GNP per capita US\$, 1997	0.60

Low GNP per capita '97 n = 33	r
Population aged 65 and above as % of total, 1997	-0.77
Population aged 65 and above as % of total, 2015	-0.72
Female economic activity rate age 15, Index,	0.71

National Happiness: Universal, Cultural Relativism, or both? An Assessment

1985=100, 1997	
Total fertility rate, 1997	0.70
Women in government, At ministerial level %, 1996	0.67
Dependency ratio %, 1997	0.66
Female economic activity rate age 15, Rate %, 1997	-0.63
Female economic activity rate age 15, As % of male rate, 1997	-0.62
Electricity consumption, Per capita kilowatt-hours, 1996	-0.61

It is noteworthy that amongst the top four high correlation factors for happiness in the high GNP countries, three related to economic status (GDP and GNP), and one to transparency, but these features were not found in the low GNP countries. The high correlation factors for low GNP countries again showed some unexpected large negative correlations.

4. Happiness and Culture

In their paper “Genes, Culture, Democracy and Happiness”, Inglehart and Klingeman²² looked for patterns and groupings in scatter diagrams of HDI and Happiness. The ex-communist countries seemed largely to fall together, as did the traditionally protestant countries. The authors use this as an argument that culture does indeed matter. However, unless further data is obtained from other countries (e.g. more Muslim countries, more African countries, more low-development countries) then it is hard to judge to what extent these groupings are in fact based on political ideology, on religious traditions, on geographical location, or, even, on the most commonly spoken international language used there.

Assuming that geographical categorizations somehow reflect cultural difference, the authors categorized the countries with relevant data broadly on a geographical basis²³. In each category, happiness was correlated with the other measures given in the HDRs, and the highest correlations were identified. The measures which yielded the top twelve correlations in each group are listed in Annex 1 along with their correlation coefficients.

Since the number of data sets varies between regions, the absolute values of the correlation coefficient are of less relevance. However, the ranking of correlation coefficient values reveals pointers to possible regional variations, summarised below:

²² Inglehart/Klingemann, 2000, p.168.

²³ The groups were as follows: Western Europe, USA, Canada & Australia (total 22 countries); Eastern Europe and Russia (19); Central America including north coast areas of South America (10), South America (8), South & East Asia (5), and Africa (3).

Geographical Region	Areas showing high correlation with happiness (in approximate order of strength of correlation)
Africa:	Economic factors, gender issues
Asia (excl. Russia):	Economic factors, education, mortality
South America:	Mortality, economic factors
Central America:	Gender issues
Eastern Europe & Russia:	Economic factors, mortality
Western Countries:	Transparency, economic factors, press freedom

Thus there may indeed be differences geographically (and, one might assume, culturally). It also could suggest that there are differences both in extent and nature when comparing high income countries with low income countries, or high development countries with less developed countries.

5. Recommendations for Further Study

The above findings have to be taken very cautiously. It became clear during the course of this study, that data to which the authors had access was severely limited. This may be a failing on the authors' part to access all the relevant data through the internet; or it may be that the data is not yet existent.

In the light of these preliminary findings summarised above, the need for more data from more parts of the world becomes very apparent. It is suggested that the following should be done, to assess with more confidence the extent to which regional, cultural, historical or religious aspects may impact on the relationship between happiness and development.

There are a number of tasks which will need to be taken up before GNH can be operationalised as a universalisable measurement for development.

There is, most urgently, a need for more data, and for these data to be drawn from a wider range of countries. Analysis of any commonalities across countries could then be attempted to assess the extent to which specific factors, or groups of factors, might be involved, thereby enabling one to deduce the extent to which culture, history, geography, climate, language-group, race, religion, etc. may be significant factors.

It will also be useful to assess the extent to which there are disparities in happiness ratings within a country. For, if the variations found between countries are small when compared to those variations amongst respondents within a country, then this would severely undermine the

National Happiness: Universal, Cultural Relativism, or both? An Assessment

hypothesis that national culture is a key factor. It might turn out that groupings across countries, separating e.g. the rich from the poor, could be a more valid division into sub-groups.

Finally, we should note the challenge that governments already face in assessing the development needs of a village community (and, indeed, of a whole country), and should ensure that the same difficulty does not arise if focusing on GNH as a development goal. The need exists for thorough happiness-needs-assessments. It is therefore suggested that any further data collection on happiness could be combined with a survey of people's perceptions as to what changes in their lives might increase or decrease their happiness (life-satisfaction). Thus, as a means to address those challenges raised above, it is recommended to broaden the survey when assessing life-satisfaction across the world: as well as asking respondents to score their overall-life-satisfaction, might it not be valuable to ask some follow-up more open questions which may inform governments on respondents' perceived priorities with respect to enhancing their happiness. This data could then be used both as a tool for designing effective national and local plans, but could also be valuable data (if carried out in many countries) from which any cultural/regional differences and/or similarities can be deduced. A sample questionnaire, showing the kinds of questions which could be included in such a survey, is given in Annex 2.

If we can achieve a universally accepted and universally applicable way to measure the National Happiness of a country, then there is a high chance that Happiness can become a respected measure of a government's success in addressing the needs of its people, and may indeed become a key component of future development indices. In addition, once more data becomes available on the varying needs of sub-groups of the world's population (whether these sub-groups are defined (a) according to country, region, religion or culture, or (b) according to factors which might cross national or regional boundaries, such as slum-dwellers worldwide, urban elites worldwide, etc.), then governments can be equipped with the necessary information which can enable them to devise specific happiness-enhancing programmes for those sub-groups.

Through this mechanism, one can develop a wide range of genuinely needs-based development assistance carefully targeted to the beneficiary groups, yet at the same time have a universally applicable measuring stick of Gross National Happiness. Thus, country A can seek to raise its GNH score by 20% within the next five years by building temples, and country B can aim for the same growth in GNH by supporting literacy programmes for remote villagers, and sports facilities for urban youth.

Bhutan, given its unique position of already working towards having Happiness as the basis for development planning, might be in a good position to take a leading role in this challenging work.

5. Conclusions

The data which the authors were able to access was limited, and recommendations regarding this have been made. Measuring happiness is still a young science, and correlations, even when the statistics are beyond refute, have to be understood for what they are - indications of relationships, and offering no guidance on causality.

Taking this on board, there are a number of observations and conclusions which this study has been able to offer:

- Gross National Happiness (GNH) is different from Development and HDI (Human Development Index):
 - o They are defined differently;
 - o Correlations between Happiness and HDI, and the components of HDI, are not strong.
- Happiness is measurable, and as more data is gathered from sub-groups within countries already measured, then these measures can become better accepted.
- Plus, taking into account the very limited data available from much of the developing world, our findings suggest that the gathering of more data, particularly from more countries in the developing world, might yield more significant results.
- Analysis of data on 67 countries suggests that there are significant differences in which aspects of development correlate most highly with happiness, and these variations appear to be dependent on (a) whether HDI is high or low; (b) whether GDP/GNP is high or low; and on (c) the geographical location of these countries.
- The concept of GNH does have the potential to be a future element of, or even a substitute for, HDI.

Indeed, the concept of GNH is an exciting one, and has potentials well beyond the borders of the Himalayan Kingdom of Bhutan. It is anticipated that, as more data is obtained, both in the extent of its detail, and covering more countries of the world, the potential exists for Gross National Happiness to be truly operationalised.

Operationalisation of Gross National Happiness is something that needs to be supported, not just for the benefit of the Kingdom of Bhutan, but through the fact that GNH may very well become a very real factor in development thinking across the world.

National Happiness: Universal, Cultural Relativism, or both? An Assessment

As to the question given in the title of this paper, “National Happiness: Universalism, Cultural Relativism, or both?” - the conclusion is that for National Happiness to be effective, it can, and should, accommodate both the need for a universally applicable measure, and the requirement for the means to achieve this happiness to be defined in the context of the relevant culture.

Annex 1

Africa n = 3 Ghana, Nigeria, South Africa		South & East Asia n = 5 Bangladesh, India, China, Japan, Philippines		South America n = 8 Argentina, Bolivia, Brazil, Chile, Ecuador, Paraguay, Peru, Uruguay	
Aspect	r	Aspect	r	Aspect	r
Main telephone lines, Per 1,000 people, Index 1990=100, 1996	1.00	Consumption, Government as % of GDP, 1997	0.86	Ecosystem wellbeing mid-to-late 90s	-0.91
Consumption, Private as % of GDP, 1997	0.99	Gross domestic investment as % of GDP, 1997	0.83	Electricity consumption, Per capita kilowatt-hours, 1996	0.89
Urban population as % of total, 2015	-0.98	Main telephone lines, Per 1,000 people, Index 1990=100, 1996	0.82	Under-five mortality rate per 1,000 live births, 1970	-0.72
Female economic activity rate age 15, Rate %, 1997	0.94	Consumption, Private as % of GDP, 1997	-0.79	Under-five mortality rate per 1,000 live births, 1997	-0.68
Female economic activity rate age 15, As % of male rate, 1997	0.93	Adult literacy rate %, 1997	0.71	Infant mortality rate per 1,000 live births, 1997	-0.67
Gross domestic investment as % of GDP, 1997	0.92	Education index	0.70	Televisions, Per 1,000 people, 1996	0.64
Urban population as % of total, 1997	-0.92	Combined first-, second- and third-level gross enrolment ratio %, 1997	0.67	GDP index	0.63
Press freedom 1999	-0.91	People not expected to survive to age 40 as % of total	-0.65	People not expected to survive to age 40 as % of total population, 1997	-0.62

		population, 1997			
Women in government, At ministerial level %, 1996	0.89	Under-five mortality rate per 1,000 live births, 1997	-0.59	Real GDP per capita PPP\$, 1997	0.60
Women in government, At all levels %, 1996	0.87	ecosystem wellbeing mid-to-late 90s	-0.57	GNP per capita US\$, 1997	0.57
Combined first-, second- and third-level gross enrolment ratio %, 1997	-0.87	Exports of goods and services, As % of GDP, 1997	0.56	HDI 1997	0.55
Televisions, Per 1,000 people, 1996	-0.83	Infant mortality rate per 1,000 live births, 1997	-0.56	Life expectancy index	0.52

Central America (and northern parts of S. America) n= 10 Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Venezuela		Eastern Europe & Russia n = 19 Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Moldavia, Poland, Romania, Russian Fed ⁿ Slovakia, Slovenia, Ukraine		Western Europe, Australia, Canada, & USA n = 22 Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxemburg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, UK, USA	
Aspect	r	Aspect	r	Aspect	r
Female economic activity rate age 15, Index, 1985=100, 1997	0.70	HDI 1997	0.82	Transparency - 2003 international corruptions perceptions index	0.79
Transparency - 2003 international corruptions perceptions index	0.60	GDP index	0.80	Real GDP per capita PPP\$, 1997	0.69
Women in government, At all levels %, 1996	0.58	Real GDP per capita PPP\$, 1997	0.76	GDP index	0.67
Consumption, Government as % of GDP, 1997	0.52	GNP per capita US\$, 1997	0.68	GNP per capita US\$, 1997	0.64
Women in government, At sub-ministerial level %, 1996	0.50	People not expected to survive to age 40 as % of total	-0.67	Press freedom 1999	0.61

National Happiness: Universal, Cultural Relativism, or both? An Assessment

		population, 1997			
Televisions, Per 1,000 people, 1996	0.39	Life expectancy at birth years, 1997	0.66	Consumption, Private as % of GDP, 1997	-0.60
Electricity consumption, Per capita kilowatt-hours, 1996	-0.39	Life expectancy at birth years, 1997 UN estimates	0.66	Main telephone lines, Per 1,000 people, 1996	0.59
Real GDP per capita PPP\$ rank minus HDI rank	0.33	Under-five mortality rate per 1,000 live births, 1997	-0.65	Women in government, At ministerial level %, 1996	0.57
Female economic activity rate age 15, As % of male rate, 1997	0.31	Real GDP per capita PPP\$ rank minus HDI rank	-0.64	HDI 1997	0.57
Female economic activity rate age 15, Rate %, 1997	0.28	Infant mortality rate per 1,000 live births, 1997	-0.63	Under-five mortality rate per 1,000 live births, 1970	-0.56
Women in government, At ministerial level %, 1996	0.25	Life expectancy index	0.63	Electricity consumption, Per capita kilowatt-hours, 1996	0.54
Infant mortality rate per 1,000 live births, 1997	-0.21	Main telephone lines, Per 1,000 people, Index 1990=100, 1996	0.61	Adult literacy rate %, 1997	0.50

Annex 2

Proposed questionnaire (first draft), to be given after the standard question to assess life satisfaction levels

Think about where you usually reside. How would you describe the location of your home? (please tick next to the bullet-point which describes your home location best)

- A remote village accessible only by walking or by boat
- A village on/near a dirt/mud road, along which vehicles can travel
- A village on/near a paved (tarmac, black-top) road
- A small town
- A large town
- A city

How would you describe yourself? (please tick next to the bullet-point which describes your situation best)

- Very rich
- Quite rich

- Average (not rich, not poor)
- Poor
- Very poor

Name three things which, if introduced, or if changed in extent, would have greatest impact on increasing your overall life-satisfaction.

.....
.....
.....

Name three things which, if introduced, or if changed in extent, would have greatest impact on decreasing your overall life-satisfaction.

.....
.....
.....

After answering the above questions, now for each of the following, please give a score from 1 to 5, to indicate the extent to which they are, or have the potential to be, significant to your overall life satisfaction.

Allocate the marks as follows:

- Give a score of '5' to any factor which you believe is very significant to the overall satisfaction of life as a whole (or, indeed, for any factor which is currently non-existent or found only to a limited extent, but which would be very significant for overall life-satisfaction if introduced, or increased)
- Give a score of '4' to any factor which you believe is quite significant to the overall satisfaction of life as a whole (or, indeed, for any factor which is currently non-existent or found only to a limited extent, but which would be quite significant for overall life-satisfaction if introduced, or increased)
- Give a score of '3' to any factor which you believe is only a little significant to the overall satisfaction of life as a whole (or, indeed, for any factor which is currently non-existent or found only to a limited extent, but which would be only a little significant for overall life-satisfaction if introduced, or increased)
- Give a score of '2' to any factor which you believe is irrelevant to the overall satisfaction of life as a whole (or, indeed, for any factor which is currently non-existent or found only to a limited extent, but which would be irrelevant to overall life-satisfaction if introduced, or increased)

National Happiness: Universal, Cultural Relativism, or both? An Assessment

- Give a score of '1' to any factor which you believe has a negative impact on the overall satisfaction of life as a whole (or, indeed, for any factor which is currently non-existent or found only to a limited extent, but which would be have a negative impact on overall life-satisfaction if introduced, or increased)
- The following items are listed alphabetically - we would ask you kindly to put a score of 1 to 5 against each one (or leave it blank if you don't understand the question); work quickly, don't spend too much time thinking about it!
 - A fridge in your house
 - A government which you can respect
 - Ability of people to vote for local leaders in democratic elections
 - Ability of people to vote for national leaders in democratic elections
 - Aircraft
 - Availability of alcohol and/or tobacco
 - Availability of fresh fruit and/or fresh vegetables
 - Availability of imported goods
 - Availability of meat/fish etc.
 - Availability of well-stocked shops nearby
 - Being a member of a loving family
 - Cinemas, nightlife, discos etc.
 - Clear roles of people within their community
 - Clearly defined laws, so you can always know if you are doing something legal or illegal
 - Clothes
 - Comfortable bed
 - Easy access to doctors
 - Easy access to veterinary surgeons (vets)
 - Electricity
 - Existence of NGOs (non-government organisations, charities)
 - Fair tax system
 - Fast food (e.g. hamburgers, etc.)
 - Freedom to speak about politics etc. without fear of arrest
 - Freedom to travel where you want within your country
 - Gender equality (men and women treated equally)
 - Gender roles (clearly defined roles for men and women)
 - Going to a party or out with friends this evening (NOTE: THIS IS A CHECK TO SEE IF RESPONDENTS UNDERSTAND THE CONCEPT OF SATISFACTION WITH LIFE AS A WHOLE. HIGH SCORE ANSWERS WILL SUGGEST LACK OF UNDERSTANDING)
 - Good access to markets where you can sell your products or farm produce
 - Good cooking (cuisine) of food (either at home or eating out)
 - Good crops, harvests
 - Good friends

- Good health
- Good helpful neighbours
- Good national and local laws
- Good relations of your country with neighbouring countries
- Good strong house to live in
- Good transport system
- Government systems in place to prepare for an act upon natural disasters (flood, typhoon, earthquake, etc.)
- Having a hospital, or good health clinic nearby
- Having a beautiful environment (trees, parks, lakes, mountains, clean sea, etc.)
- Having a few children
- Having a lot of children
- Having a place of public worship nearby (e.g. temple, mosque, church, etc.)
- Having a primary school nearby for the young children of your community
- Having a secondary school, to which the older children can go for studies
- Having a strong national army in your country
- Having a university/college where people can study
- Having access to a car (or even your own car)
- Having access to Internet and computers
- Having access to a telephone (or even your own telephone)
- Having good weather/climate
- Having money
- Having newspapers to read
- Having pets (cats, dogs, etc.)
- Having radio to listen to
- Having sports facilities nearby
- Having TV (television) to watch
- Holidays (where you can go, perhaps with family, to visit other places for relaxation)
- Laughter
- Loving husband/wife
- Low crime rate
- Many friends
- Membership of clubs and societies
- Monarchy
- Music
- No corruption
- No pollution
- Opportunity for promotion in your work
- Participating in sports
- Peace – i.e. your country not at war
- Police whom you trust and have confidence in

National Happiness: Universal, Cultural Relativism, or both? An Assessment

- Possibility to join a worker's or trade union
- Presence in the community of nuns, monks, priests etc.
- Presence of wild animals and wild birds
- Railways
- Reading novels
- Religious values
- Respect by everyone of all ethnic, religious and other minorities in your country
- Restaurants, cafes, pubs etc.
- Roads
- Silence
- Special homes for elderly people
- Stable national economic system, with low inflation rate
- Strength of community participation at traditional festivals
- Traditional dances
- Traditional values
- Watching sports
- Western music
- Younger people respecting older people

References

- Freedom House (2000): Press Freedom Survey 2000
www.freedomhouse.org/pfs2000/tables.html
- Frey, Bruno S. / Stutzer, Alois (2002): What Can Economists Learn from Happiness Research?, in: Journal of Economic Literature, Vol. XL (June 2002), pp. 402-435.
- Herfkens, Eveline (2001): The future of technical assistance and capacity building - remarks by Minister for Development Cooperation of the Netherlands, WBI breakfast, Washington DC 30 April 2001
www.worldbank.org/wbi/HerfkensremarksApril30.pdf
- Inglehard, Ronald / Klingemann, Hans-Dieter (2000): Genes, Culture, Democracy, and Happiness, in: Diener, E. / Suh, E.M.: Culture and Subjective Well-Being", MIT Press, 2000, Cambridge, pp. 165-184.
- Kay, John (2003): The Truth about Markets, London 2003.
- Lyonpo Jigmi Y. Thinley (1999): Gross National Happiness and Human Development - Searching for Common Ground, in: Gross National Happiness Discussion Papers, Centre for Bhutan Studies, Thimphu 1999
- Ray, Debraj (1998): Development Economics, New Delhi 1998.
- Royal Government of Bhutan (2001): Country Presentation by the Royal Government of Bhutan, Third United Nations Conference on the Least Developed Countries, Brussels, 2001.
- Royal Government of Bhutan (2000): Development Toward Gross National Happiness, Thimphu 2000.
- Rist, Gilbert (1997): The History of Development: From Western Origin to Global Faith, London 1997.
- Stalin (1912): Marxism and the National Question, 1912

- Stehlik, Vladimir (2000): Bhutan and the impeding gush of ego, in: HIMAL South Asia, August 2000.
- Transparency International (2003): Transparency International Corruption Perceptions Index (2003) www.infoplease.com/ipa/A0781359.html
- UNDP (1999): Human Development Statistical Database 1999, in: UNDP, The Human Development Report – CD-Rom, New York.
- UNDP (2003): Human Development Report 2003: Millennium Development Goals – A compact among nations to end human poverty, New York.
- Veenhoven, R (2002): Happy Life Years in 67 Nations in the 1990s, World Database of Happiness, Rank Report 2002/2
<http://www.eur.nl/fsw/research/happiness/>
- World Values Survey, <http://www.worldvaluessurvey.org/>