

Happiness: towards a holistic approach to development
Draft note
6 November 2012

Background

The General Assembly, in its resolution 65/309 entitled “Happiness: towards a holistic approach to development”, and conscious that the pursuit of happiness was a fundamental human goal, recognized that the gross domestic product (GDP) indicator was not designed to—and did not reflect adequately—the happiness and well-being of people. Consequently, the General Assembly invited Member States to pursue the elaboration of additional measures that captured the importance of the pursuit of happiness and well-being in development better, with a view to guiding their public policies. Those Member States who have taken initiatives to develop new indicators and other initiatives were invited to share information thereon with the Secretary-General as a contribution to the United Nations development agenda.

The General Assembly also invited the Secretary-General to seek the views of Member States and relevant regional and international organizations on the pursuit of happiness and well-being, and to communicate such views to the General Assembly at its sixty-seventh session. In response to its note verbale, the Department of Economic and Social Affairs of the United Nations Division for Social Policy and Development (DSPD/DESA) has received several communications from Member States and United Nations entities on initiatives on happiness and well-being implemented at both national and regional levels. In addition to presenting such initiatives, DSPD/DESA has found it useful to provide an update on the current state of research on happiness and well-being and focus on possible policy implications. Matters of special importance in these areas are (1) better integration of social and economic policies and examining the social consequences of economic policies; (2) sustainable development issues (3) development of well-being indicators, in conjunction with sustainable development indicators.

The exclusive pursuit of economic growth and rising incomes as an objective of development has been long questioned. In particular, measuring poverty by income alone has been seen as inadequate in assessing real poverty levels, that have to do with its other determinants such as lack of access to basic services, discrimination or social exclusion. Moreover, the divergence between economic and social policies and lack of monitoring of the social impact of economic policies has been frequently underscored at the United Nations forum and beyond. Finally, insufficient attention has been paid to the design of indicators of both sustainable development and well-being.

In particular, as noted by the Secretary-General, measuring success by wealth alone has been questioned in the Brundtland Report of 1987, several United Nations Development Programme (UNDP) Human Development Reports, and the Commission on the Measurement of Economic Performance and Social Progress. Moreover, 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.¹ In the Rio+20 outcome 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.²

Introduction

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, “The time is ripe for our measurement system to *shift emphasis from measuring economic production to measuring people’s well-being*. And measures of well-being should be put in a context of sustainability... emphasizing well-being is important because there appears to be an increasing gap between the information contained in aggregate GDP data and what counts for common people’s well-being.”³

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. There are also several concerns with measuring happiness and well-being, such as the awkwardness of making interpersonal comparisons, or the problems of adaptation, in that people may get used to being deprived and report average levels of happiness despite their deprivation. Moreover, most conclusions of ‘happiness surveys’ are usually based on information from WEIRD (Western, Educated, Industrialized, Rich Democracies) countries, limiting their credibility. In addition, people’s aspirations and standards change and there may be a happiness set point depending on an individual. Lastly, there are lingering doubts about taking happiness seriously and with much hardship, poverty, disease, war and crime in existence, focusing on happiness may seem a luxury.⁴ Therefore, the fulfilment 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, and the 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 revisit their priorities. In the face of persistent, extreme poverty,

¹ Statement of the Secretary-General at the High-Level Meeting on Well-being and Happiness, 2 April, UN headquarters in New York.

² A/RES/66/288 “The future we want”, para. 38.

³ See J. Stiglitz, A. Sen, J.P. Fitoussi. Report by the Commission on the Measurement of Economic Performance and Social Progress created in 2008 on French Government's initiative. Report available on line http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf

⁴ According to Maslov’s hierarchy of needs theory, the most basic level of needs (such as food and water) must be met before the individual will strongly desire (or focus motivation upon) the secondary or higher level needs, such as the needs of security: employment, property and then friendship and family (love and belonging) leading to self-esteem and achievement. The highest level of self-actualization is achieving one’s full potential.

and global warming generated by current production systems, focusing on other measures of well-being beyond rising incomes can only be worthwhile. Moreover, some scholars argue that, as we already live in the Anthropocene Age, in which humans influence the Earth's physical systems, the quest for happiness should be strongly linked to the quest for sustainable development.⁵ Lastly, with the progress of research on happiness, the evidence of its usefulness in policy design is gradually emerging.⁶

Aspects and measures of happiness and well-being

Philosophers, theorists and researchers 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, autonomy, self-acceptance, connectedness and psychological sense of vitality. Some theorists add 'meaningful work' or 'calling' as important ingredients of well-being. Hedonists and utilitarian theorists consider 'pleasure' and 'avoidance of pain' as the main ingredients of well-being.⁷ Others believe that well-being necessitates several basic conditions, such as health and good relationships. Some consider the satisfaction of one's wishes and goals – or only the subjective evaluation of life – as essential to well-being.⁸

Measuring happiness and well-being requires distinguishing between subjective happiness, also referred to as 'affective happiness', having to do with day-to-day joys and sorrows, and 'evaluative happiness' which is linked to those dimensions of life that lead to overall satisfaction or dissatisfaction with one's place in society (e.g. health, trust in institutions, vibrant community). It is generally agreed that combined findings—based on both subjective and evaluative data—should be used for possible policy design.

The growing availability of cross-sectional and longitudinal survey data on life satisfaction in many countries has given us 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 most often taken into account are: income (consumption, wealth, material well-being), health (mortality, morbidity), education (literacy, educational attainment), democratic participation (elections, freedom of expression) and psychological experience (depression, enjoyment, etc.). 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,

⁵ J. Helliwell, R. Layard & J. Sachs, eds. *World Happiness Report*.

⁶Note that happiness itself seems to encourage engagement in a variety of activities at work and in leisure; it predicts the formation of friendships and marriage as well as community participation." "Happy moods" also broaden perception and enhance creativity. Happiness also fosters physical health and lengthens life. See S. Lyubomirsky, E. Diener & L.A. King (2005). The benefits of frequent positive affect: Does happiness lead to success? *Psychological Bulletin*, 131, 803-855.

⁷ Jeremy Bentham (1789) concluded that human behaviour is governed by the pursuit of pleasure and the avoidance of pain.

⁸ S. Oishi. Culture and Well-Being: Conceptual and Methodological Issues in E. Diener, D. Kahneman & J. Helliwell, eds. "International Differences in Well-Being". Oxford University Press, 2010.

education, gender and age. The wide array of econometric findings available display evidence on different cultural backgrounds relating to many aspects of well-being.⁹

National initiatives

Several Governments have attempted 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.¹⁰

Bhutan

The Gross National Happiness Index (GNH) ¹¹

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. The Happiness Index was presented to provincial district-level leaders in Bhutan to review their policies against district-level results so that they could make changes, if needed. Policy and programme screening tools have already been in use since the launching of the Happiness Index in 2008 and these are to be expanded over time.

The Happiness Index is based on four pillars and was developed from 33 cluster indicators with 124 variables, categorized under nine domains. In each domain, the objective indicators were given higher weights, and subjective and self-reported indicators were given lower weights. The four pillars include good governance, sustainable socioeconomic development, cultural preservation and environmental conservation. The nine domains consider psychological well-being, health, education, literacy, educational qualifications, knowledge, values; culture; time use; good governance; community vitality; ecological diversity and resilience, and living standards.¹²

⁹L. Becchetti & A. Pelloni “What are we learning from the life satisfaction literature”. Ministry of Economy and Finance, Italy.

¹⁰This is so called ‘Easterlin’s paradox’. Richard Easterlin’s research indicates that although GNP per capita in the United States of America has risen by a factor of three since 1960, measures of average happiness have remained essentially unchanged over the last half-century.

¹¹K. Ura, S. Alkire, T. Zangmo & K. Wangdi *A Short Guide to Gross National Happiness Index*, available at <http://www.grossnationalhappiness.com/wp-content/uploads/2012/04/Short-GNH-Index-edited.pdf>

¹²Housing and assets are important considerations here. According to the GNH guidelines “from a community standpoint, aspects such as combating social exclusion and discrimination and strengthening social cohesion cannot be achieved unless there are proper living space and a decent standard of accommodation.”; assets such as land and livestock are critical to ensure decent living standards

The 2010 GNH survey in Bhutan indicated that 50 per cent of urban dwellers were happy and 37 per cent of people in rural areas were happy. Overall, 41 per cent reported extensive happiness. Young people were relatively happier than older people, and men were happier than women. Over 10 per cent of Bhutanese were unhappy (those who achieved sufficiency in less than half of the domains). Major causes of unhappiness included deprivations in living standards and health, as well as lack of psychological well-being. Interestingly, there were no unhappy people among those who had completed a diploma or postgraduate studies.

The **High-Level Meeting on Well-being and Happiness** organized by Bhutan¹³ concluded that any effective policy had to be compatible with ecological sustainability, fair distribution and efficient use of resources, and should contribute to the well-being of all life and to human happiness. Its policy recommendations focused on sustainable production methods, transfer of technology, investments in sustainable infrastructure such as renewable energy, health and long-life learning promotion, support for small-scale production, progressive taxation, the creation of sustainable well-being accounts and comprehensive well-being measures of progress, as well as working with other countries to build global consensus around these measures by 2014. The newly-established International Expert Working Group has been tasked with building on these initial policy recommendations and creating a comprehensive, systemic policy framework with recommended policy measures and regulatory mechanisms that can lead to an actual implementation of the new economic paradigm. At its recent meeting, the Prime Minister of Bhutan reiterated that the current development paradigm did not have a clear goal or vision beyond advancing economic growth, and that a paradigm shift and a holistic approach to development was needed in order to ensure sustainable development that acknowledged the interdependence between man and nature. Such a paradigm would espouse decent living standards, vibrant culture and good-quality education, and would be backed by appropriate regulatory systems and the efficient use of resources.¹⁴

The prime minister emphasized that this new approach was not anti-growth, per se, but rather, promoted meaningful development within ecological bounds, for instance, by supporting green energy and organic agriculture. Bhutan regarded itself as a facilitator convening work on the new paradigm, and expected global collaboration. Bhutan's initiative was to be linked to the work of the Secretary-General's mechanisms – the High Level Panel, Sustainable Development Solutions Networks – and to his overall vision of the post-2015 agenda. Bhutan intended to make a presentation in June 2013 on the first phase of the working group's findings. The final report – focusing on well-being and happiness, as well as on the meanings of development, ecological sustainability and fair distribution – was to be presented to the General Assembly in 2014. This initiative would be carried out primarily through the United Nations and would aim at influencing Government policy.

France¹⁵

¹³ The meeting was held on 2 April at United Nations headquarters in New York, see http://www.2apr.gov.bt/images/BhutanReport_WEB_F.pdf

¹⁴ The meeting was held in New York on 5 October 2012.

¹⁵ Section below is based on responses to the note verbale sent in August 2012.

France supported the main proposals contained in the 2009 Stiglitz-Sen-Fitoussi report, agreeing as follows, to: (1) refer to income and consumption rather than production; (2) emphasize the household perspective, taking into account financial transfers and public services; (3) consider income and consumption jointly with wealth; (4) give more prominence to the distribution of income, consumption and wealth; (5) broaden income measures to non-market activities; (6) improve measures of people's health, education, personal activities and environmental conditions; (7) assess inequalities in quality-of-life; (8) design surveys to assess the links between various quality of life domains for individuals.

Moreover, France supported an approach integrating the subjective and objective dimensions of life quality, and recommended taking into account the well-being of future generation in developing the sustainability instruments. France has adopted two vital sustainable development indicators – a carbon footprint of national demand, and the measurement of product consumption and production. France considered that the sustainable development strategy should follow up on the Rio+20 conference and that it required new tools, better cooperation and the involvement of the Statistical Commission of ECOSOC and the United Nations Statistical Division, and civil society.

Italy

In 2010, the Italian National Institute of Statistics and the National Council for Economics and Labour launched an 'Equitable and Sustainable Well-being' initiative that was to be finalized with the publication of a report in December 2012. Twelve domains for measuring well-being have been identified and public consultation initiated. The domains are: environment, health, economic well-being, education and training, work and life balance, social relationships, security, subjective well-being, landscape and cultural heritage, research and innovation, quality of services and policy and institutions. Online consultations indicated that health, environment, education and training and quality of services were most important, whereas economic well-being, life-satisfaction, political participation, trust in institutions and safety were less significant. Some specific indicators under respective domains included quality of urban air, per capita adjusted disposable income, poor housing conditions, participation in early childhood education, share of employed persons who felt satisfied with their work, generalized trust, volunteer work, satisfaction with family relations' voter turnout, as well as trust in parliament, political parties, judicial system and local institutions.

Japan¹⁶

The Cabinet Office of Japan has been conducting studies on well-being; it established the Commission on Measuring Well-being and has published the *Proposed Well-being Indicators*, and organized the Asia-Pacific Conference on

¹⁶ Based on Japan's response to note verbale sent August 2012, including the Report of the Commission on Measuring Well-being in Japan. "Measuring national well-being. proposed well-being indicators"; Initial investigations on the data from the Quality of Life Survey FY 2011. Well-being Study Unit, Economic and Social Research Institute, Cabinet Office, Government of Japan, 5th December, 2011

Measuring Well-being and Fostering the Progress of Societies,¹⁷ as well as conducting the first Quality of Life Survey. The Commission on Measuring Well-being consists of experts on this issue and is jointly supported by the Director General for Economic, Fiscal and Social Structure and the Economic and Social Research Institute of Japan (ESRI). The Commission was established to promote research on growth and well-being mentioned in Japan's "New Growth Strategy." The report of the Commission on Measuring Well-being, published in December 2011, has proposed several well-being indicators.

The first Quality of Life Survey was conducted in Japan in March 2012. Survey items included: (1) sense of happiness, (2) interdependent happiness, (3) life satisfaction, (4) affective balance, (5) satisfaction in life's various phases, (6) subjective evaluation of life circumstances, (7) living environment, (8) anxieties, (9) securities, (10) social supports, (11) self-reported health, (12) frequencies of social contacts and other aspects of well-being.

United Kingdom¹⁸

In the United Kingdom, the Measuring National Well-being Programme led by the Office for National Statistics (ONS) has aimed to develop and publish an accepted and trusted set of National Statistics which would help people to understand and monitor national well-being. The first phase of the programme was a national debate in 2010-2011 set up to gather views on what mattered to people and what influenced their well-being. As a result of the debate, a proposed set of domains emerged, including: subjective well-being, health, education and skills, personal finance, relationships, where we live, what we do, the economy, the environment and governance. In July 2012 the first experimental annual national well-being indicator set was published. This will be subject to further development over the course of the Measuring National Well-being Programme to run until 2014.

Qatar

Qatar agreed that happiness was not based on income alone. Its National Vision 2030, and the National Development Strategy 2011-2016 aim at maintaining a just and caring society, based on high ethical standards, as well as improving the quality of life for all its citizens, without sacrificing its traditional culture and its Arab and Islamic identity. Qatar was committed to the establishment of a system of social protection that preserved the civil rights of all its citizens, ensured their contribution to the development of their society, and guaranteed them a decent enough income to

¹⁷ The Asia-Pacific Conference on Measuring Well-being and Fostering the Progress of Societies was one of the series of regional conferences conducted in preparation for the 4th OECD World Forum on Statistics, Knowledge and Policies, held in New Delhi in October 2012. It gathered around two hundred regional policymakers, statisticians, academics, and other stakeholders with a specific interest in the field. The Conference was jointly organized by the Asian Development Bank (ADB), the Economic and Social Research Institute of Japan (ESRI), the Organization for Economic Cooperation and Development (OECD), the Statistics Korea (KOSTAT) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), in collaboration with the OECD Development Centre and the Partnership in Statistics for Development in the 21st Century (PARIS21) Secretariat.

¹⁸ Based on the United Kingdom response to the note verbale sent in August 2012 & J. Beaumont, ed. "Measuring National Well-being: report on consultation responses on proposed domains and measures." Office for National Statistics. United Kingdom, July 2012.

maintain a healthy and dignified life. Its current efforts focus on strengthening family cohesion, expanding social safety nets and revising family law to reflect domestic social changes as well as international commitments to which Qatar is party under The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). In addition, Qatar has taken the necessary measures to help women balance work and family responsibilities, support family stability and provide better support for working women. Qatar is focused on enhancing the physical, emotional and intellectual well-being of its citizens, especially young people, through strengthening sports and culture, factors promoting health and happiness.

European Union

The European Union (EU) emphasized that the four dimensions of the discussion on happiness put forward by Bhutan, namely, happiness and well-being, ecological sustainability, fair distribution and efficient use of resources, were at the centre of EU objectives, aside from its promotion of basic human rights, considered a crucial component of well-being. It also noted that monitoring progress towards the so-called ‘inclusive green economy’ at the national and global level required indicators based on internationally-comparable data that had to be grounded in a conceptual framework and selected according to well-specified criteria.

The EU noted several initiatives to develop new indicators contributing to measuring overall societal well-being, as well as measures of economic, environmental, and social sustainability, such as the 2007 European Commission high-level conference “Beyond GDP” and the work of the European Foundation on living and working conditions measuring quality of life. The first set of European environmental economic accounts has been adopted in line with the Statistical Standard System of Environmental-Economic Accounting (SEEA). According to the conclusions of the Stiglitz report, the work addressed many dimensions of current and future well-being and combined various objective and subjective measures, in an attempt to deepen our understanding of the relationship between the various quality-of-life and well-being concepts and their link to sustainability. The EU emphasized the need to continue cooperating on developing indicators to address global challenges such as climate change, poverty, resource depletion, health and quality of life; however, although the objectives were clear, it would not be easy to develop and disseminate the use of new indicators that were inclusive of environmental and social progress that would be as clear as GDP.

Several United Nations agencies have expressed support for the measuring of well-being and have shared their views with **UNDP**, noting that the Bhutan gross national happiness initiative complemented the UNDP human development approach and measurement. UNDP has encouraged Bhutan to contribute to the post-2015 deliberations by linking the work of the International Expert Working Group to the High Level Panel, the Open Working Group, and the series of thematic and national consultations launched by the United Nations Development Group (UNDG).

FAO emphasized that food security, clean water, basic energy, health services, housing, sanitation, green transport, and education were indispensable to human well-being and noted that the GDP growth alone ensured neither greater equality, less poverty, nor food security. In the long run, however, economic growth was

necessary—though not sufficient—to improving some facets of “quality of life,” such as education, health care and nutrition. This might imply that, if complemented by pro-poor fiscal, health-care, educational and other progressive developmental redistributive policies, GDP growth could improve some key components of well-being and happiness, although there were no guarantees. FAO cautioned that measures of economic growth were especially insensitive to questions of sustainability, including resource and environmental sustainability.

The International Fund for Agricultural Development (IFAD) endorsed the Bhutan initiative, and underlined the importance of happiness as a social and political objective, requiring social, political and economic measures for its realization. Considering that the majority of the global population was poor and lived in rural areas, emphasis on equitable and inclusive rural development – including in relation to the small-farm livelihood systems – was of the utmost importance. IFAD emphasized that the achievement of the Millennium Development Goals was a precondition to the effective pursuit of happiness by the global population, including overcoming poverty and food insecurity within a framework of sustainable development and effective responses to climate change.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) believed that social inclusion, equity, work and education were especially important for human well-being and happiness. Quality education for all was an essential prerequisite to providing people with the skills and knowledge needed to access decent jobs and empower them to shape their own futures. UNESCO proposed universal access to quality education and freedom of expression and information as possible indicators to measure the happiness and well-being of a society, and emphasized the importance of culture, social cohesion and intercultural dialogue as important markers of social development. UNESCO has offered its support in the design of a well-being and happiness index by the United Nations system, one stemming from the UNDP Human Development Index, which should be included in the post-2015 development framework

The United Nations Entity for Gender Equality and the Empowerment of Women (**UN-Women**) focused on the development of gender-sensitive measures of happiness. It recommended several sex-aggregated indicators under specific domains. Within physical security, suggested indicators included: the proportion of women over the age of 15 subjected to physical or sexual violence by intimate partner and other persons; the prevalence of sexual harassment in the workplace; the prevalence of female genital mutilation and female genital cutting; homicide rates; the prevalence of crime; the proportion of female victims of sexual violence during conflict. Within economic security, suggested indicators included: the ratio of women to men living in poor households; labour force participation; unemployment rates; the percentage of firms owned by women; the proportion of the population with access to credit; the gender gap in wages; the length of parental leaves; the prevalence of pension coverage and the status of relevant ILO convention ratifications. Under time use, suggested indicators were: average time spent on unpaid domestic work, paid work, leisure and personal care. Under health, recommended indicators included: maternal mortality ratio; the proportion of births attended by a skilled health professional; the adolescent fertility rate; contraceptive prevalence among women; the legality of

abortion; and the percentage of people reporting poor health status. Several indicators were also suggested on governance and accountability, including adherence to non-discriminatory laws. UN-Women noted the importance of indicators in the realm of relationships and opinions on women's roles in society, including women's participation in environmental sustainability efforts. Within agency and participation, UN-Women recommended indicators focusing on women's participation in family, community and political life. Lastly, noting that women reported relatively higher levels of happiness in countries where they enjoyed equal rights, the agency suggested several psychological well-being indicators.

United Nations Volunteers emphasized that volunteerism should be recognized as a powerful and renewable asset, and a vital component of any new development strategy, as it was a path to reducing social exclusion and promoting civic engagement. Assessing well-being must consider interactions amongst people and between them and the wider environment. UNV called for the inclusion of indicators on volunteer action and consideration of social capital, civic engagement, governance, community vitality and resilience within the social dimension of happiness and well-being.

The Economic and Social Commission for Asia and the Pacific (ESCAP) noted that resolution 65/309 was directly in line with its own sustainable and inclusive development approach. The 2012 Low Carbon Roadmap for Asia and the Pacific offered a comprehensive set of policy options. ESCAP was initiating work on the development of green-growth indicators. The policy relevance of happiness had been explored by the **International Conference on Happiness and Public Policy** organized in 2007 by the Public Policy Development Office of the Government of Thailand, in partnership with ESCAP. The International Conference had advocated the development of measures of happiness and the redesign of public policy schemes to increase individual and societal happiness. Two of the key findings presented at the conference, the *diminishing marginal return of happiness to income*, and the *negative effects of social comparison to people's happiness*, have provided important justifications for public policies aimed at generating income to the poorer rather than to the richer groups, and at reducing socioeconomic inequality and the income gap. Two decisive challenges were identified: formal employment for all, and wealth-accumulation opportunities for the poor. Two of the most convenient tools highlighted were fiscal policy and fiscal spending: redistributive fiscal policy to address inefficiency in the market and change incentives, and fiscal spending, focused on the provision of improved infrastructure, social security and health-care systems.

ESCAP noted that Member States would require significant capacity to construct policy-relevant indicators of happiness and well-being, especially those related to the quality of economic growth. United Nations Regional Commissions could explore further mandates to support Member States by (1) collecting and sharing experiences on the promotion of well-being and happiness; (2) developing a better understanding of the determinants of well-being and happiness; (3) conducting research on relevant public policy, and (4) overcoming methodological issues related to the construction of indicators of well-being and happiness.

Several countries have already designed national indicators of well-being which have included both subjective and objective elements. They have ranged from overall sense

of happiness, self-reported health, level of education and training, social relations, work-life balance to living environment and governance. Several Governments, however, have cautioned about the difficulty in designing clear happiness indicators. Some Member States noted efforts to improve overall well-being through promoting human rights, social protection and family stability. It was clear that there was need for a new economic paradigm in development efforts. Overall, the ‘well-being agenda’ was seen as part of the post-2015 development strategy promoting sustainable development objectives.

United Nations entities noted that GDP growth alone did not reduce poverty and inequality and welcomed the Bhutan well-being initiative. The future work of the Bhutan International Expert Working Group could be linked to the UNDP human development approach, the work of the Secretary-General’s High Level Panel and to a series of thematic and national consultations launched by UNDG.

United Nations agencies have begun to focus on several aspects of well-being, starting with access to food and basic services, education, culture and the importance of volunteerism for vibrant communities. Since the majority of world’s poor live in rural areas, the need for equitable and inclusive rural development was noted. Some agencies emphasized that the achievement of the Millennium Development Goals – especially in the areas of poverty and food insecurity – should be considered a prerequisite for the pursuit of happiness at the global level.

Major international and regional surveys on well-being and their results¹⁹

There are efforts underway at the international and regional levels to measure well-being. Several well-established surveys include: **Gallup’s World Poll** (samples all citizens of the world, 1,000 people in each country in each year, currently covering 160 countries), **World Values Survey** (covers 65 countries), **European Social Survey**, **Eurobarometer**, **Asiabarometer** and **Latinbarometer**, as well as national surveys in many countries, including Bhutan, Italy, Japan, South Africa, the United Kingdom, the United States of America, and others. Surveys typically ask how satisfied the respondents are with their lives.

As noted previously, research on happiness and well-being has been mainly concentrated in high-income countries. Studies of time trends in happiness are virtually non-existent in developing countries due to the limited and fragmentary nature of available data. Only four developing countries were included in the first wave of World Values Surveys in 1981-1984, as the coverage for most started with the second wave of WVSs of 1989-1993. Latinobarometer was the second major source of data, having been conducted almost annually since 1995. South Africa has a Quality of Life Trends Study. There are problems, however, with comparability between these surveys.

The **OECD Better Life Initiative** draws upon the recommendations of the Commission on the Measurement of Economic Performance and Social Progress and

¹⁹ Some researchers have noted two strategies to enhance happiness. One would be to lower one’s expectations, often achieved through religious and spiritual life (this is linked to traditional societies). The other way is through modernization, to expand people’s range of material, political and social opportunities, through transformations in economic, political and value systems.

aims to provide a better understanding of what drives the well-being of people and nations and what needs to be done to achieve greater progress for all. It is based on 11 dimensions: housing, income, jobs, community, education, environment, civic engagement, health, life satisfaction, safety, and work-life balance. These 11 dimensions are explored and analysed in detail in the *How's Life? report*, the first attempt at an international level to present the best set of comparable and comprehensive well-being indicators. OECD has also created the “Your Better Life Index” to support policymaking to improve quality of life.²⁰

The **Human Development Index** of the United Nations Development Fund was created in an attempt to move away from the simple reliance on GDP as a measure of welfare, and included adjusted real income, lifespan and educational attainment. Some discrepancies have been found between the HDI and life satisfaction rankings of countries.

A variety of independent surveys have also been conducted and indices created to assess overall levels of well-being. For example, The New Economics Foundation, an independent think-tank, has constructed an index using global data on life expectancy, experienced well-being and ecological footprint. The so-called **Happy Planet Index** ranks countries on how many long and happy lives they produce per unit of environmental input. The 2012 HPI report ranks 151 countries and is the third time the index has been published.²¹

According to the **Gallup Millennium World Survey**, the things that matter most in life, by order of importance, are: good health, happy family life, a job, freedom, no war, no violence and corruption, standard of living, religion and education. Surveys have also indicated that the happiest countries in the world are high-income, well-functioning democracies, especially those having high levels of social equality, trust, and quality of governance. Happiness research in OECD countries covering some 400,000 people between 1975 and 1997 indicated that happiness was positively correlated with absolute income, the generosity of welfare state, and life expectancy. It was negatively associated with the average number of hours worked, measures of environmental degradation, crime, openness to trade, inflation and unemployment.²²

At an individual level, income was relevant to happiness but beyond adequate income, other factors (such as good marriage and education) appeared to be even more important. Countries did not seem to get happier as they got richer. Happiness was U-shaped in age. Women reported higher well-being than men. The two highest negatives in life were unemployment and divorce. Temporary positive and negative events in life (such as increases in salary) wore off as people got used to them (adaptation). Relative things mattered (for example, people cared how they were

²⁰<http://www.oecdbetterlifeindex.org/>

Your Better Life Index currently profiles the 34 OECD member countries, as well as key partners Brazil and Russia, across the 11 topics of well-being, and will eventually include other key OECD partner countries: China, India, Indonesia and South Africa.

²¹<http://www.happyplanetindex.org/about/>

Costa Rica, Vietnam and Colombia top the HPI rankings

²²R. Di Tella & R. MaCulloch “Gross National Happiness as an Answer to the Easterlin Paradox?”, 16 April, 2005.

treated compared to others, or what their income was relative to others, with wage inequality lowering reported happiness) but the effect was not large.

Over the past 25 years, economic development, democratization, and rising social tolerance have led to increased happiness throughout the world. Notable declines, however, were observed in Russia and China, as well as temporary declines in Eastern Europe following social changes in those regions. Since 1981, overall subjective well-being rose in 40 out of the 52 countries having substantive time-series available. Both the Values Surveys and the Gallup World Poll indicated that Denmark, Iceland, Sweden, Norway, and Finland ranked high on subjective well-being.²³ A group of Latin American countries had similar rankings despite their lower levels of wealth and good governance, which may be explained by strong community networks and high religiosity.

Research on new, post-communist EU member States has been based on Candidate Countries Eurobarometer (2001-2004), Standard Eurobarometers (2005-2007), and World Bank Development indicators, and compared with economic and political indicators (such as GDP, satisfaction with democracy). The trends were positive after 2001 with higher increases in GNI per capita accompanied by higher life satisfaction compared with the rest of the European Union. Those States which started with lower levels increased more, strongly suggesting a possibility of convergence. One explanation of these trends could be that democracy contributed to happiness through greater participation, freedom and national pride. However, a drop in life satisfaction due to the socioeconomic crisis in Europe was expected, with Romania showing a steady decline starting in 2008.²⁴

On a general note, until recently, time series data on subjective well-being has come from high-income countries only. The data indicating flatness of the trajectory has led to the assumption that subjective well-being has remained constant among both individuals and nations. In reality, subjective well-being has risen slightly. Happiness has risen steadily in low-income and middle-income²⁵ countries, while life satisfaction has shown a modest initial decline, followed by a sharp rise.²⁶

International differences in well-being

It should be kept in mind that the way people understand happiness and well-being differs across cultures. Different conceptualizations of happiness also manifest themselves as different beliefs regarding happiness. For example, in some languages happiness may be associated with luck or good fortune. Moreover, in some regions people may be reluctant to report on their level of happiness or well-being for cultural reasons. In addition, there are many important methodological issues when

²³ According to the 2000 data of the World Database of Happiness with averages on the scale from 0 to 10, Denmark has the highest rating (8.2) and Zimbabwe, the lowest (3.3) see <http://www1.eur.nl/fsw/happiness/>

²⁴ S. Baltatescu "A Success story? Happiness in the new post-communist EU member states". University of Oradea, Romania, 20 November 2010

²⁵ Argentina, Brazil, Chile, India, Mexico, Nigeria, Peru, South Africa, South Korea, Turkey

²⁶ R. Inglehart. Faith and Freedom: "Traditional and Modern Ways to Happiness" in E. Diener, D. Kahneman & J. Halliwell, eds. *International Differences in Well-being*. Oxford University Press, 2010.

interpreting national differences in global reports of well-being, such as response style and self-presentation motives, as well as memory and positivity biases.²⁷

Nevertheless, comparing well-being is becoming easier with a growing availability of internationally-comparable measures and their likely correlates. Research has indicated that international differences in happiness levels have been greater for life evaluations than for emotional evaluations. Hence, despite well-documented differences in the ways in which subjective evaluations have changed through time and across cultures, most international differences in life evaluations have been related to differences in social, institutional, and economic circumstances rather than to differences in the way these differences have been evaluated.²⁸

For instance, both the European and World Values Surveys²⁹ as well as Gallup World Polls have indicated that the emotions that were averaged in the affective balance, such as enjoyment, worry, sadness, depression and anger, differed very slightly from country to country. There was much international variation, however, in terms of life assessments. The first three waves of the Gallup World Poll asking people from 140 countries to evaluate their lives as a whole, using the Cantril Self-Anchoring Ladder scale from 0 to 10, indicated that national averages ranged from 3.3 for the bottom group of Togo, Burundi, Sierra Leone and Zimbabwe, to an average of nearly 7.7 for the top four: Denmark, Finland, Norway and the Netherlands. Further, Gallup data showed that the countries at the bottom of the life-evaluation ladder were there, not so much due to their low average incomes, but because their material disadvantages were accompanied by social ones.³⁰

Research has indicated that other variables, such as social trust, quality of work, freedom of choice and political participation, as well as rising social tolerance, have been proven to be more important than income.³¹ Democratization and social tolerance enhanced well-being as they broadened the range of people's choices. Intolerant social norms may restrict people's life choices, reducing their subjective well-being. Overall, people were happier in countries characterized by economic development, freedom, rule of law and good governance. The societal characteristics such as wealth (income), freedom (economic and political), peace, justice (corruption, rule of law), equality (income and gender) and education explained 75 per cent of the differences in the average happiness of nations.³²

²⁷ See S. Oishi. Culture and Well-Being: Conceptual and Methodological Issues in E. Diener, D. Kahneman & J. Helliwell, eds. "International Differences in Well-Being". Oxford University Press, 2010.

²⁸ J. Helliwell, C. Barrington-Leigh, A. Harris & H. Huang. International Evidence on the Social Context of Well-Being in E. Diener, D. Kahneman & J. Helliwell, eds. "International Differences in Well-Being". Oxford University Press, 2010.

²⁹ Data on well-being primarily comes from World Values Surveys conducted in a growing number of countries in five waves (1981-84, 1989-93, 1994-99, 1999-2004, and 2005-2007).

³⁰ E. Diener, D. Kahneman & J. Helliwell, eds. "International Differences in Well-Being". Oxford University Press, 2010.

³¹ R. Inglehart. Faith and Freedom: Traditional and Modern Ways to Happiness E. Diener, D. Kahneman & J. Helliwell, eds. "International Differences in Well-Being". Oxford University Press, 2010.

³² R. Veenhoven. How Universal is Happiness? In E. Diener, J. F. Helliwell & D. Kahneman "International Differences in Well-Being". Oxford University Press, 2010.

In Latin America, the life domains most relevant to happiness, in order of importance, were found to be: economic satisfaction, friends, work, health and housing. Friendships were important coping mechanisms for the poor in the absence of publicly-provided safety nets. Social connections were important in all regions and respondents seemed to value the support received from others and given to others. Some research indicated that the importance of social connections was lower in Asia and Africa and higher in the United States, Western Europe, Australia and New Zealand. Individuals adapted to the benefits of rising incomes as well as to the costs of rising crime and corruption trends. Satisfaction with health and per capita income were uncorrelated across countries. For instance, a higher percentage of Kenyans were satisfied with their personal health than Americans, and the United States ranked 81st out of 115 countries in public confidence in the health system. Some countries with extremely low health standards had relatively high happiness scores but, within these countries, healthier people were happier.

Research has indicated that the perception of trust in society is vital to well-being. In some countries (such as the United States and the United Kingdom), however, the levels of trust have been falling over time. Declines in human relations – as measured in increased solitude, communication difficulties, fear, distrust, family breakdowns and reduced social engagement – have been observed as well. In several high-income countries, significant numbers of people suffer from stress and depression, including young people who feel out of place and uncomfortable at school. In addition, rising inequality damages happiness through increased social tensions. However, empirical work on the effects of inequality on life satisfaction has yielded very mixed results.

Conclusions and recommendations

Although the benefits of economic growth and modernization have helped to raise living standards, rising incomes—beyond ensuring the fulfillment of essential needs—do not necessarily increase well-being much further. Surveys have indicated that an overall sense of security, including job security, strong family and friendship networks, as well as freedom of expression and other factors, strongly impact people's well-being. Consequently, Governments, in cooperation with other stakeholders, may need to consider fostering numerous aspects of well-being beyond GDP growth. Current surveys have indicated the need for policy interventions to ensure high employment, high-quality work, strong community with high levels of trust and respect, participatory governance, improved physical and mental health care, support of family life, and quality education for all.

In general terms, Governments are encouraged to (1) recognize that GDP is not the only indicator of well-being (2) integrate economic and social policies better (2) develop specific policies for environmental protection (3) develop well-being indicators to guide their policy design and monitoring in line with sustainable development objectives.

Governments are encouraged to:

(1) consider using a broader concept of well-being, going beyond GDP and economic growth, adopting a new economic paradigm that encapsulates the social, economic and environmental aspects of sustainable development.

(2) use carefully-constructed regular, large-scale data on happiness and well-being as a more appropriate indicator for improving macroeconomic policymaking and informing service delivery.

(3) initiate broad consultations, involving all stakeholders, to identify and prioritize the well-being indicators that carry the potential for a shared view of the ways that social progress can be achieved and sustained over time.

(4) instruct national statistical offices to consider expanding the well-being content of their national statistical systems. A system of evaluation could take shape over time where policies might be judged by the changes in happiness that they produced per unit of net public expenditure.

(5) ensure the minimum conditions for happiness, for the majority of people in low-income countries as well as excluded groups in middle- and high-income countries, such as (a) access to food and basic services (b) basic human rights and social protection and (c) reduced inequalities, before pursuing broader well-being goals.

(6) advocate for the future work of the Bhutan International Expert Working Group to be linked to the existing Secretary-General's initiatives, the UNDP Human Development Index, follow-up mechanisms to Rio+20, and academic and civil society initiatives in related areas.