

ECONOMIC DEVELOPMENT AND HUMAN HAPPINESS CREATES A QUALITY GROWTH AT GLOBAL LEVEL

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ABSTRACT

The era of GNP and GDP has been characterized by a huge global rise in living standards and in wealth. At the moment, though, GDP is embattled. Economists and national leaders are increasingly talking about measuring a country's status with other metrics and even with a squishy-seeming concept like "happiness." Any GDP expansion should "focus on economic aspects of non-market and near-market activities and not attempt to measure the welfare effect of such interactions." Even then, they warned, "it is critical that such an expansion of the scope of the accounts not occur at the expense of funds needed to maintain, update, and improve the existing GDP accounts." Money can't buy happiness. But it could perhaps buy the ability to measure it. So we need to improve social indicators to make society happy. This study is conducted to explore how economic development and happiness is interrelated to each other and that help many countries in their planning, strategies and policies to overcome the problem in social as well as in economic area. This paper also answer the question that "how economic development and happiness help to achieve the performance of human and productivity of organization which makes a country highly developed.

Keywords: *Dystopia, Economic Paradigm, Quality growth, Human Happiness.*

INTRODUCTION

Happiness is an aspiration of every human being, and can also be a measure of social progress. Happiness used to track social progress would perhaps reflect little more than transient changes in emotion. Since 1971, the country has rejected GDP as the only way to measure progress. In its place, it has championed a new approach to development, which measures prosperity through formal principles of gross national happiness (GNH) and the spiritual, physical, social and environmental health of its citizens and natural environment.

So 2011, the UN General Assembly passed a resolution inviting member countries to measure the happiness of their people and to use this to help guide their public policies.

On April 2, 2012 this was followed by the first UN High Level Meeting on "Happiness and Well-Being: Defining a New Economic Paradigm," which was chaired by Prime Minister Jigme Thinley of Bhutan, the first and so far only country to have officially adopted gross national happiness instead of the gross domestic product as the main development indicator.

HUMAN HAPPINESS

Economic growth as measured by gross domestic product doesn't really tell us much about citizens' general well-being.

"For example, traffic jams may increase GDP as a result of the increased use of gasoline, but obviously not the quality of life," according to a report by an international commission chaired

By Nobel Prize-winning economist Joseph Stiglitz

For the last three decades, this belief that wellbeing should take preference over material growth has remained a global oddity. Now, in a world beset by collapsing financial systems, gross inequity and wide-scale environmental destruction state's approach is attracting a lot of interest. Leading experts in several fields – economics, psychology, survey analysis, national statistics, and more – describe how measurements of well-being can be used effectively to assess the progress of nations. The second Report delved deeper into issues relating to happiness, including mental illness, the objective benefits of happiness, the importance of ethics, policy implications, and links with the OECD's approach to measuring subjective well-being as well as the Human Development Report.

Life evaluations are higher in each region or country than in a hypothetical comparison country called Dystopia. Dystopia is faced with the world's lowest national average values of each of six key variables that we have found to explain three-quarters of the international differences in average life evaluations: GDP per capita, years of healthy life expectancy, having someone to count on in times of trouble (sometimes referred to as "social support"), perceptions of corruption, prevalence of generosity, and freedom to make life choices

Indicators used in human happiness:

- 1) Psychological wellbeing
2. Health
3. Time use
4. Education
5. Cultural diversity and resilience
6. Good Governance
7. Community vitality
8. Ecological diversity and resilience
9. Living standard

For example: African countries and most of Asian countries

Most of population are having mental illness so they are lack in social as well as economical development because:

Mental Illness as a Key Determinant of Unhappiness Mental health or psychological well-being makes up an integral part of an individual's capacity to lead a fulfilling life, including the ability to study, work or pursue leisure interests, and to make day-to-day personal or household decisions about educational, employment, housing or other choices. The importance of good mental health to individual functioning and well-being can be amply demonstrated by reference to values that sit at the very heart of the human condition: Pleasure, happiness and life satisfaction. In the most recent Global Burden of Disease study, for example, acute schizophrenia has the highest disability weight out of 220 health state valuations made (0.76, where 0 equals no disability and 1 equals complete disability).

ECONOMIC DEVELOPMENT

From a policy perspective, economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base. On basis of economic development, at global level many indices are given like human development, Human poverty index etc. For instance HDI give certain indicator for economic development:

Beings: well fed, sheltered, healthy

Doings: work, education, voting, participating in community life.

Freedom of choice is central: someone choosing to be hungry (during a religious fast say) is quite different to someone who is hungry because they cannot afford to buy food.

Economic development grew out of global discussions on the links between economic growth and development during the second half of the 20th Century. By the early 1960s there were increasingly loud calls to “dethrone” GDP: economic growth had emerged as both a leading objective, and indicator, of national progress in many countries

- 1) even though GDP was never intended to be used as a measure of wellbeing
- 2) In the 1970s and 80s development debate considered using alternative focuses to go beyond GDP, including putting greater emphasis on employment, followed by redistribution with growth, and then whether people had their basic needs met.

These ideas helped pave the way for the economic development approach, which is about expanding the richness of human life, rather than simply the richness of the economy in which human beings live. It is an approach that is focused on creating fair opportunities and choices for all people.

LITERATURE REVIEW

(Bruni and Porta 2005; Frey and Stutzer 2002; Layard 2005) Happiness depends on many factors. Generalizations about growth and happiness in developing countries, however, have typically been based on bivariate cross sectional comparisons of national measures of subjective well-being and per capita income. A succinct example of inferring time trends of subjective well-being for developing countries from a bivariate multi-country cross section appears in the valuable survey volume by two of the leading economists in the study of the economics of happiness:

Comparing across countries, it is true that income and happiness are positively related and that the marginal utility falls with higher income. Higher income clearly raises happiness in developing countries, while the effect is only small, if it exists at all, in rich countries (Frey and Stutzer 2002, p. 90).

Hence, in testing here such generalizations against time series evidence we too employ a bivariate methodology. Some analysts look at happiness in relation to the absolute amount of change in income; others, the percentage change.

Stevenson and Wolfers (2008) Studies of time trends in happiness in developing countries are virtually non-existent due to the limited and fragmentary nature of the available data. In the economics literature the most notable exception is a recent paper. This study is commendable for its effort to mobilize a wide range of data to assess the happiness-growth relation, not only cross sectionally, but in time series as well. The time series analysis suffers, however, from, among other things, a failure to distinguish short from long-term relationships between happiness and GDP per capita.

Clark et al. (2014) then looked at this issue systematically, using a wide variety of different datasets and a long time period (1970-2010). The crux of their argument is that countries with growing GDP per capita have also experienced falling happiness inequality. The data used there come from the World Values Survey (WVS), the German socio-economic panel (SOEP), the British Household Panel Survey (BHPS), the American GSS and the Household, Income and Labour Dynamics in Australia survey (HILDA). Happiness inequality was picked up by the coefficient of variation (the standard deviation of happiness divided by the sample happiness mean). It is difficult to know what the correct measure of the distribution of subjective well-being is. One worry is that higher happiness levels will mechanically lead to lower dispersion as reflected in the coefficient of variation. If higher income produces greater happiness, on average, then the correlation between GDP per capita and the coefficient of variation of happiness will mechanically turn out to be negative.

RESEARCH METHODOLOGY

Firstly, it is based on a comprehensive literature analysis, the main descriptors of "quality of social aspects" and "economic development" were identified. Secondly, through the cross-case examination of case studies of leading report of human development and human happiness were categorised. Finally, the relationship between social aspects and development was investigated using a contextual variable, i.e., human development report and happiness report by UN.I have reviewed the academic literature to gain insight of Indian condition". So, various articles, journals, books, websites etc. have been used to study the evolution, conceptual framework, definitions, key players, present trends (relating to internet penetration, growth prospects, modes of payments preferred etc.), and future prospects. All the data included is secondary base and proper references have been given wherever necessary.

In order to evaluate the evolution of the quality of economic growth across countries and over time, we build a Quality of Growth Index (QGI).

The social progress index encompasses three main dimensions:

- (i) the basic human needs,
- (ii) the foundations of wellbeing, and
- (iii) Opportunity.

RESEARCH OBJECTIVE

1. **For a quality development of country we have many procedure and process like Human Development, Human happiness index, gender equality etc. But two most important in global era is human development and human happiness. If we apply both in any country we will find best result not only in economic development but also in quality of social life.**

Case study: Bhutan

Spirituality is measure on four factors: Self-supported spirituality level, how much they consider karma, how much they pray, and how often they meditate. 53% of the population of Bhutan in 2010 have reached an "adequate" level here. Underneath the Culture category, Bhutan considers people's Artisan Skills—consisting of thirteen different traditional handicraft skills (such as weaving, painting, blacksmithing, carpentry) and whether people have attained skill with any of them. A person passes the sufficiency threshold if they have one of the traditional skills. 62% of Bhutanese meet the sufficiency, with the most common skills being masonry, carpentry, or textile weaving. In Time Use, Sleeping Hours are considered. With eight hours being considered sufficient sleep, 66.7% of Bhutanese are consistently well rested.

In Ecological Diversity and Resilience, Pollution, Environmental responsibility, Wildlife, and Urban use are the sub-categories. Pollution is measured on subjective concern about pollution (69% think things are alright). Environmental responsibility tries to gauge people's concern for the environment (84.4% pass the "highly responsible" threshold).

As of 2010, 41% of Bhutanese are identified as happy, with the rest of the population hitting sufficient levels of satisfaction in 57% of the surveyed categories. Bhutan is on to something in terms of developing a truly holistic measurement for development.

2. **To correlate social problem with economic development. The economic development should be according to social need.**

One hand every country wants to increase their GDP by developing infrastructure, export, import, defence but other hand due to inequality in society richer become richest and poorer become poorest like in India and suffering from malnutrition, poverty, gender inequality etc. So if India works for their poorer section that helps to increases GDP may lead for development.

3. **To analyse the present need and bridge up the gap between rural and urban disparities.**

The income inequality in developing countries may create rural and urban area having richer section as well as poorer section. In case of India where most of population lived in rural area need to work on their social problem to strengthen GDP.

INDIA'S STATUS

Improvement in human development measures has slowed down in the past few years, according to the 2014 Human Development Report (HDR). The human development index (HDI), a measure derived from life expectancy, education levels and incomes, barely grew from 0.600 in 2012 to 0.604 in 2013, 0.609 in 2014.

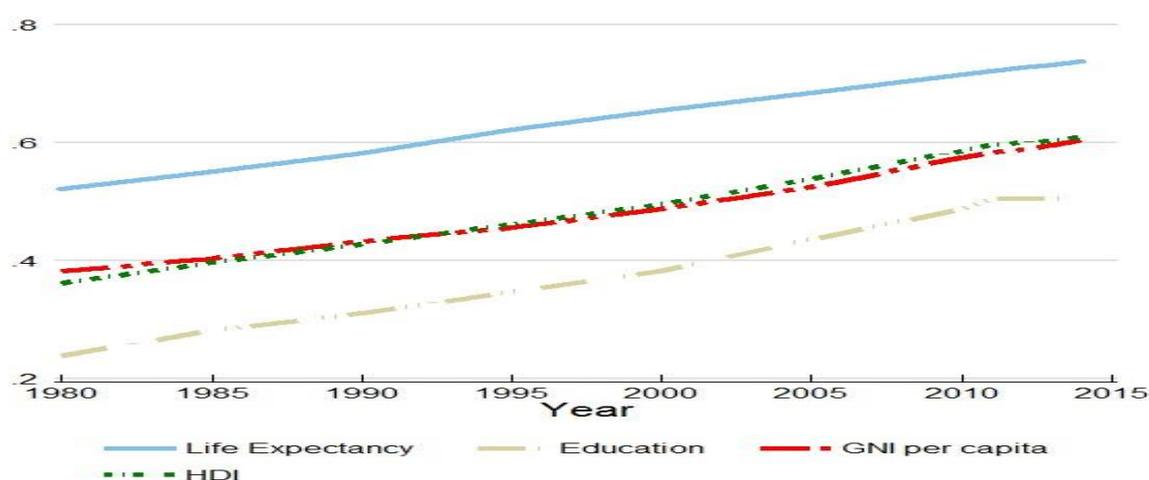
Table - A reviews India's progress in each of the HDI indicators. Between 1980 and 2014, India's life expectancy at birth increased by 14.1 years, mean years of schooling increased by 3.5 years and expected years of schooling increased by 5.3 years. India's GNI per capita increased by about 338.0 percent between 1980 and 2014.

Table - A: India's HDI trends based on consistent time series data and new goalposts

Years	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
1980	53.9	6.4	1.9	1,255	0.362
1985	55.8	7.3	2.4	1,446	0.397
1990	57.9	7.7	3.0	1,754	0.428
1995	60.4	8.3	3.5	2,046	0.462
2000	62.6	8.5	4.4	2,522	0.496
2005	64.5	9.9	4.8	3,239	0.539
2010	66.5	11.1	5.4	4,499	0.586
2011	66.9	11.7	5.4	4,745	0.597
2012	67.3	11.7	5.4	4,909	0.600
2013	67.6	11.7	5.4	5,180	0.604
2014	68.0	11.7	5.4	5,497	0.609

Figure 1 below shows the contribution of each component index to India's HDI since 1980.

Figure 1: Trends in India's HDI component indices 1980-2014



Even that small improvement could be at risk of getting reversed given the bleak picture of the vulnerabilities facing people across the world. About 1.5 billion people are afflicted with 'multi-dimensional poverty', that is, they suffer from overlapping deprivations in education, health and living standards. A further 800 million are at the brink of falling back into poverty. Nearly 80% of the global population lacks comprehensive social protection. About half of all workers — more than 1.5 billion — work in "informal or precarious" employment.

After this survey and condition India should need some social indicator to improve poverty, education, and living standard. Human happiness index help in these sectors but data shows some critical improvement in social aspect as compare to other country. All things considered, it doesn't look too good for India. Already rated an unhappy place in 2014 with a ranking of 111, the country dropped six places to 117 out of 158 countries ranked in the 2015 list, which took into account data from 2012-2014

Pro-social behaviour, including honesty, benevolence, cooperation, and trustworthiness, entails individuals making decisions for the common good that may conflict with short-run egoistic incentives, the report explains. Countries that are at the top of the rankings show evidence of high social capital, while those at the bottom show the opposite: generalized distrust, pervasive corruption, and lawless behaviour (e.g. widespread tax evasion that deprives the government of the needed funds to invest in public goods).

In this research we tried to evaluate both happiness and development which is needed for India's quality growth in all sector and fulfil the gap between them.

CONCLUSION

The strength of growth is an important aspect of the quality of growth since high growth is a necessary ingredient to put a dent to poverty. Accordingly, higher growth rate is expected to lead to substantial dent in poverty, and hence to a better Quality growth.

Happiness is important for public policy. Daniel Kahneman's pioneering work on behavioural economics has shown very clearly that people's feelings affect their behaviour. So anyone seeking to influence citizens, staff or customers would do well to understand how people feel. Moreover, evidence is growing on the many effects our emotions have on other more "objective" aspects of life. Economic Development is important to implement that public policy. So both economic development and happiness are interrelated to each other. If any country wants to be at global platform she should be concentrate on both indices.

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