



*Lead Article*

## **Prioritizing Human Well-Being over Growth-led Model: Politics and Possibilities**

**Vijay Kumar Shrotryia \***

### **Premise**

Human beings aspire to lead a happy life. The state policy facilitates to meet this human aspiration. The policies are crafted to create, maintain and harness those conditions which are conducive to assure Human Well-Being. Last century witnessed transformations in respect to development of physical infrastructure amid geo-political changes, turmoil and adjustments. New economic systems to measure social and human progress were introduced which matured into universal acceptance by development institutions and nations of the world. However, it is observed that over emphasis on economic policies and growth compromised on the trajectory towards Human Well-Being. The dominance of market forces gave rise to concentration of wealth in the hands of business owners or corporate houses. The developing world, believing ardently – the grass on the other side looks greener, blindly started believing in the philosophy of free-market capitalism. The ill effects are visible in almost all geographies which went ahead with accepting the standards of the west without putting the house in order. The result is before us.

With this brief in mind the author wishes to put across arguments through this small paper for a priority shift for broader policy framework.

### **Market, Growth and Human Well-Being**

The world has progressed in speed and space, in wealth and health, in knowledge and wisdom. It has also expanded the horizon of our thinking and raised expectations from society, government and individuals. There are more visible democracies, there are larger and taller buildings as ever, age span has increased, there are more schools and hospitals, more people are getting above the poverty line, it is certainly a better place to live now when one looks at the physical infrastructure. But it is a subject of inquiry as to whether the growth-led model has really made the life of people happier, peaceful, and enjoyable; whether it has

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\*Professor, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi, India. Email: vkshrotryia@commerce.du.ac.in

The author has written a book – *Human Well-Being and Policy in South Asia* in 2020. This paper is broadly based on the idea as narrated in the book and some portions of the book are used in this text as well.

made us better citizens and human beings. Market is defined as - the bringing together of buyers and sellers to effect exchanges at a mutually acceptable price. Markets can be based on any communications, network, including a physical meeting, telephonic and internet contact (Rutherford 2007:134). It was created to provide a designated space for smooth exchange of goods and services convertible into monetary terms. It was to facilitate buyer and seller, society and business, consumer and corporate to consummate their interdependence. The principles for operations were determined by different forces working in the market. The free-market system took care of demand and supply and helped sustain entrepreneurs and corporates. The state patronized the functioning without interfering in its day-to-day operations yet providing broader guidelines for smooth functioning through its agencies and institutions. Globally free-market capitalism started gripping major geographies within its hold.

In 1994, Paul Hawken wrote a book *The Ecology of Commerce* to raise concern towards sustainable business and the role of commerce in building it. The kind of environmental damage that we see conveys that *our business practices are destroying life on earth* (Hawken 1994:3). Paul goes on to state that *there is no polite way to say that business is destroying the world*. Though it focuses on the environmentally sustainable businesses, yet it reiterates a point of departure in policies for making the world a better place. Ecology and commerce do not really seem compatible with the kind of trends we witness in market, business, environment and society.

The importance of market and thereby improving business and commerce ecosystem requires an approach that avoids excesses of every kind, wealth maximisation, its concentration and overdoing of policy intervention for hindering organic growth of business. Over obsession with leaving everything to market forces has made us all so vulnerable to respond to all kinds of market pushes that leads to wasteful expenditure broadening of the gap between rich and the poor. Overproduction of commodities giving rise to surplus stocks and blocking of useful capital, unsustainable use of energy resources, over emphasis on return on investment and increasing size of profit volume and many such similar objectives are leading towards questioning the sustainability of business ventures thereby disturbing the human wellbeing broadly. When the stocks pile up, new markets get explored and through various market mechanisms, thanks to the world becoming a global village, are pushed in the low-income countries through dumping and pushing demands for these goods there.

There are several works stating that on an average the world economy is growing at around 2 percent whereas the bigger multinational corporations grow at around 10 percent. This is one feature of driving economic growth that results in concentration of wealth as against the spoken and written promises of the nations for distribution of wealth. The economic power of the larger corporates is assumed to be comparable to the GNPs of few nations. The Facebook has surpassed its user base put together the population of India and China. It has already gone for Libra as currency. The question is – Are we going to see corporate nations?

Quality of Life, Fulfilment of Human Needs, Well-Being, Welfare, and Happiness, are terms used to mean more or less same thing. All of these terms lead towards attainment of Human Well-Being. Quality of Life is defined as “an extent to which persons enjoy a good life by achieving a balance in their relations with themselves and with others through creating and sustaining adequate conditions and own potentials over the life course”<sup>†</sup>. Human needs are commonly used to refer to the drivers of peoples’ actions, the motives behind human behaviour<sup>‡</sup>. Their fulfilment results in improving quality of life, vis-à-vis, well-being. “Well-Being is what is achieved by someone living a life that is good for him or her”<sup>§</sup>. The responsibility of the state is to look after the welfare of its citizens. Satisfaction from the government policies and through using services provided by the state enhances life satisfaction of the individuals which is used as a proxy for happiness. Happiness is defined by Veenhoven (1984a: 22) as “the degree to which a person evaluates the overall quality of his/her own life as a whole positively. In other words, how much one likes the life one lives”. Happiness, life satisfaction, fulfilment of human needs, well-being and subjective well-being are interrelated terms and ultimately relate to quality of life. Yet they are highly contested constructs (Phillips 2006:15).

Human Well-Being is a construct evolved from the philosophy of living well – mentally, physically, socially, and spiritually. Individuals tend to perform acts that (they think) provide them satisfaction and lead towards improving their state of ‘living well’. Fulfilment of human needs and having positive living environment around, contributes towards an assurance on ‘living well’ or leading a good life. Physical facilities enhance mental satisfaction and help in realising human potential by exploring different possibilities and choices. Being able to use physical facilities further require resources of different kind – good health, knowledge and ability, money, conducive eco-system, and enabling infrastructure. These resources are internal as well as external, they are possessions as well as acquisitions. Available literature on Well-Being, Happiness, or/and Quality of Life directly or indirectly travels around this philosophy of living well. Hedonism, eudemonism, utilitarianism, consequentialism and the like ‘-isms’ defend the use of an agent for HWB. The whole idea of HWB, Happiness, and Living Well voyages through ‘compulsion’ to ‘choice’ continuum.

The state (or government) plans and makes effective policies for the well-being of its citizens through providing opportunities to earn living, investing in human capital by provision of health and education, and building facilitating physical infrastructure. These policies when implemented successfully should reap fruits like economic progress, improved health, and educated and empowered citizens. The responsibility to look after social welfare is shared by four core institutions – the state, the market, the family, and the civil society (Estes and Zhou, 2014). The policy formulation, and its implementation (and execution) is mediated as well as moderated by effectiveness of system involved in implementation. Mediation because it explains the how and why, between policy as such, and its execution.

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<sup>†</sup>See Vaarama and Pieper (2014: 5269)

<sup>‡</sup>See Guillen-Royo (2014: 3027)

<sup>§</sup>See Tiberius (2014: 7110)

Moderation because effectiveness is measurable - low or high, and may be, in numbers or degree. This effectiveness of system is to be assured by the state through strong governance measures. However sound policies are, if not implemented effectively would not result in reaching out to the intended population. Adam Smith (1984: 185) so succinctly puts it in one of his classics – *The Theory of Moral Sentiments*, written around 260 years ago- “In what constitutes the real happiness of human life ... In ease of body and peace of mind, all the different ranks of life are nearly upon a level, and the beggar, who suns himself by the side of the highway, possesses that security which kings are fighting for. ... The same principle, the same love of system, the same regard to the beauty of order, of art and contrivance, frequently serves to recommend those institutions which tend to promote the public welfare. When a patriot exerts himself for the improvement of any part of the public police, his conduct does not always arise from pure sympathy with the happiness of those who are to reap the benefit of it”. The state, through its policy, and the King, through his charter, only can claim to look after the welfare of its citizens. It has the responsibility to efficiently manage resources through its equitable distribution. This is what government’s try doing for the good of its people.

### **Looking beyond Growth – Happiness and Human Well-Being**

Policymakers from Britain to Bhutan have increasingly turned to subjective well-being (SWB) – also referred to as happiness or life satisfaction – to complement traditional measures of economic performance such as GDP and unemployment (Burchardt 2013). SWB is used as a proxy for quality of life, happiness, and well-being. Determination of QOL is based on the premise that once human needs are fulfilled, SWB will steadily increase and, in turn, will be expressed as a positive attitude that can be measured using standardized SWB tools (Costanza et al. 2007). SWB refers to how people experience the quality of their lives and includes to both emotional reactions and cognitive judgments. The best way to assess a person’s life satisfaction is to ask the person directly. It reduces the possibility of manipulation; and at the same time, it is limited, because it represents the individual’s response at a specific point in time. However, it is considered the best way to obtain firsthand opinion of a person’s level of satisfaction with different variables. “Assessing the appraisal of life in a nation requires that the total of experienced well-being is estimated. This sum of experience is denoted by the concept of ‘happiness.’ Happiness is a person’s overall evaluation of his/her life as-a-whole” (Veenhoven 1996). Different agencies and individuals have conducted surveys using suitable tools to track the status of life satisfaction (or happiness) across world regions.

In 1984, Ruut Veenhoven published his book titled *Conditions of Happiness*<sup>\*\*</sup> based on his doctoral work titled ‘factors of influence on Happiness’. The work involved empirical investigation to validate the indicators of happiness based on 245 studies, resulting in some 4000 observations. The full details were published as *Databook of Happiness*<sup>††</sup>. This was the motivation for developing World Database of Happiness (WDH) which is perhaps the most

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<sup>\*\*</sup>See Veenhoven (1984a)

<sup>††</sup>See Veenhoven (1984b)

robust archival database on happiness available free and hosted by the Erasmus University Rotterdam, The Netherlands. The WDH gauges life satisfaction using the Cantril ladder: “Suppose the top of the ladder represents the best possible life for you and the bottom of the ladder the worst possible life, where on this ladder do you feel you personally stand at the present time.” The ladder as devised by Cantril (1965) based on the study of hope, fear and happiness of persons in 14 countries of the world, is one of the widely used scales to develop tools on perception of people falling in different domains. It was primarily Self-Anchoring Striving Scale where a person was asked about his own assumptions, perceptions, goals and values and the respondents were to choose a place on the ladder at that given point of time. For happiness and well-being research it was found to be more appropriate as compared to other scales.

In April 2012, Jigme Y Thinley, the then Prime Minister of Bhutan, was invited by the United Nations to host the first high level meeting, calling happiness scholars from across the world to discuss and take up the agenda forward of measuring happiness. The first World Happiness Report (WHR) was released just before this meeting (1<sup>st</sup> April, 2012) providing foundational text for discussion. The report captured the relevance of measuring happiness to draw on the public policy in order to improve the human well-being for citizens. It had compilation of different works which were being carried out to prioritise happiness in policy discourse rather than economic growth. The case on Bhutan from South Asian region on its development philosophy of Gross National Happiness (GNH)<sup>##</sup> and its implementation at policy level by the government in the country was discussed at length in the report. This report drew the attention of international media, policymakers, scholars and happiness academics. Ever since the WHR has been publishing the ranks of countries on the basis of Gallup World Poll from 2013 onwards, the ranks of the countries on happiness are published throughout with an exception of 2014.

### **Human Well-Being and Policy**

Well-being has remained a domain of academic focus from the perspectives of economists, psychologists, sociologists, political scientists, and many likes depending on their own area of concentration. It has objective as well as subjective measure; it is viewed as evaluation of an individual’s life situation or ‘state’. This situation has been broadly described through different expressions such as welfare, quality of life, life satisfaction, standard of living, and happiness. It is hedonic (measurable) as well as eudemonic (not measurable). Both are complementary in nature.

Human development, over a period of time, has also emerged as one of the related fields for assessment and policy focus. Largely these overlying terms address to the issues

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<sup>##</sup>It is important to mention here that it was this tiny Kingdom which had voiced its concern for happiness of people over gross domestic product in the UN session of 1972. Ever since it has been following this philosophy, amid criticism from different corners, on its only philosophical value and not on measurement. It was in 2010 that Bhutan went ahead with measuring GNH and brought out its report. In 2015, it had published another report on perception of GNH.

related to HWB and, in one way or the other, reflect on its expanse to improve living conditions resulting into well-meaning, peaceful and happy life conditions. Absence of suffering and having good health, fulfilling basic needs and having concern for others and humanity also leads to build HWB. The focus of all human efforts is to attain these goals and these efforts are to be made at all levels – individual, national and global. Ideally, we all wish to live in healthy, harmonious, happy and peaceful world.

At individual level the primary goal is to be able to fulfill basic needs and to grow into a being, having freedom to enjoy choices. The individuals have to have the mean to earn living so that they are able to satisfy their needs and think beyond. Their income levels and gradual increase in effort and income culminates into their subjective satisfaction. On one side, an individual's income level determines his/her ability to fulfill needs, on the other, his/her individual conception of his/her state also depends of his/her attitude towards life which contributes towards visualising larger and ultimate goal. It has physical (objective) as well as psychological (subjective) aspect to it and both at individual level leads to improve HWB.

The state, nation, or government has primary responsibility of looking after its citizens through establishing a rule of law in order to govern them, to draw effective public policy and to make provisions for basic amenities. The governance needs to be transparent, sustaining, and effective. The purpose of public policy is to assure well-being which primarily supports fulfilling needs of citizens and secondly encourages to build an ecosystem leading towards allowing freedom and conditions in which choices can be enjoyed by its citizens. Provision of good health and education helps individuals improve their living standards as they are able to take care of their health and capitalise on available opportunities through appropriate employment and/or entrepreneurship. Access to education, health, and social welfare services with effective mechanisms under conditions of freedom and choice help improve social well-being leading towards making them capable and competent. This has been the basic premise of human development which posits sustainable human progress and development. The whole idea of human development has been to make people able to broaden their bouquet of choices and improve their general well-being.

Apart from public policy, the states also invest in building better relationship with other nations so that they can learn from each other and share resources for improving living conditions. Economic policies are drafted to eventually affect individual income which ideally should result in economic empowerment and making nations wealthier. It is believed that such creation of wealth (and its justified distribution) improves HWB and possibly makes the nations self-sufficient, educated and healthy. HWB is viewed as multidimensional construct having physical, psychological, economic, and social well-being as contributing domains.

The states are responsible to manage resources of the country and to look after the well-being of its citizens. The citizens expect their concerns to be addressed by the elected political masters voted by them in whom they bestow their trust and assign responsibility to

rule. This is the expectation in a democratic system. To manage the resources of a country, its local governments design, devise and deploy strategies assuring the well-being of citizens. The governments of respective states try to win the confidence of its people by first identifying the areas of concern of the masses and then to draw appropriate and executable strategies to address these concerns. Worldwide it is admitted that there have to be provisions for investment in human capital through effective systems of health and education making individuals capable to contribute for the national well-being. The citizens of a country form the base of all development initiatives. It is further more important for developing and/or poor region, as the individuals lack resources and the allied ability to exploit them. It is also in this context that investments in human capital are of greater importance for developing countries.

### **Humanism over Capitalism**

The progress in nations has been judged by the measure of development in the economic sphere. Size of an economy and level of development are predominantly driven by the account of national income measurement, termed as Gross Domestic Product (or GDP). It was first introduced by Simon Kuznets<sup>§§</sup> with an elaborative account of national income for the period of 1929-32. Paul Samuelson and William D. Nordhaus stated – “While the GDP and the rest of the national income accounts may seem to be arcane concepts, they are truly among the great inventions of the twentieth century”<sup>\*\*\*</sup>. Weitzman (1976) believed that Net Domestic Product can be regarded as proxy for national welfare in the sense that it is proportional to the present discounted value of all future consumption. The belief, that did not have many takers.

None of these economists imagined that the nations would take GDP as a basis for all their policies and practices and then primarily concentrate on growth indicators surrounding GDP and the progress of nations be measured and compared based on this key coinage. It is discussed at length by economists and psychologists that improvements in GDP have not translated in enhancing life satisfaction of people. In USA, though the preamble to the declaration of independence had Life, Liberty and the pursuit of Happiness as an important right which has been the cornerstone for designing the future and conceiving the whole idea of American Dream, yet it is difficult to infer straightforward relationship between government’s objectives and human happiness. There exists a difference of opinion over the matters of whether it can and should be a government aim (SgROI et. al., 2017: 10). *The Progress Paradox* as termed by Easterbrook (2003) provides ample evidence from the data from the US and Europe that though in last half century physical infrastructure and standard of living have improved, yet it has not enhanced life satisfaction or happiness of people.

The focus of politics and policies, world over, has remained tilted to the side of the rich and wealthy clout, as one of the Oxford Briefing papers mentions that economic

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<sup>§§</sup> See Kuznets (1934)

<sup>\*\*\*</sup>See January 2000 issue of Survey of Current Business, page 6 available at: [https://fraser.stlouisfed.org/files/docs/publications/SCB/pages/2000-2004/35260\\_2000-2004.pdf](https://fraser.stlouisfed.org/files/docs/publications/SCB/pages/2000-2004/35260_2000-2004.pdf) retrieved on 13<sup>th</sup> Sept 2018.

inequality is increasing in most countries bringing with it such government policies that advance the interest of the rich. The polling results in Spain, Brazil, India, South Africa, the UK, and the US show that the majority in these countries believe that the legal and regulatory systems in their countries are crafted for the benefit of the rich (Oxfam 2014). This has been a major cause of inequality interrupting HWB, though in aggregate terms it reflects good of the economy. OECD and IMF<sup>†††</sup> have also expressed their reservations and feel that inequality increases instability and damages economic growth. “A fifth of the world’s population earns just 2 per cent of global income. The richest 20 per cent by contrast earn 74 per cent of the world’s income... in the advanced economies, inequality is higher than it was 20 years ago” (Jackson 2009: 5). Such inequalities might touch record high in 2020 (Wilkinson and Pickett 2009).

All across the globe, the physical standard of living has improved manifold, yet their perception towards their life has not improved *pari passu*. Physical infrastructure has been transformed to provide comforts of so-called good life yet it has added to many more problems at community and social levels than the real joy of leading good life. The disparities have increased by leaps and bounds, all type of value (human) erosion is happening, consumerism has taken the lead, materialism has penetrated into the minds of people almost everywhere. Individuals are judged on the basis of the physical wealth they possess. Though the nations are becoming economically developed, richer and independent, yet the problems of work-life conflict, discrimination, crime, depression, environmental imbalance, social alienations, etc., are on the rise.

The last decade of the twentieth century witnessed emergence and popularity of HDI as an alternative to compare the status of nations. As it takes care of economic as well as social development, it has been recognized as a better measure to help draw effective public policy through improving health and education infrastructure and its delivery. Better health and education strengthen human competence and empower them to create choices for themselves. The public policy needs to concentrate on developing better social infrastructure so that it takes care of economic indicators.

Bhutan, one of the smallest countries in the world, which was a tiny Kingdom before it adopted democratic system, has been practicing a development philosophy based on the premise of well-being of people, which is termed as GNH<sup>†††</sup>. It was towards the early months of 2008 when this tiny Kingdom became the youngest member of the club of parliamentary democracies. It is more than 45 years since Bhutan started sharing its concern for the well-being of people through its focus on GNH. There have been constant efforts to popularize the concept and advocate on the importance of happiness in the policy framework. Wikiquote defines it as *an indicator and concept that measures quality of life or social progress in more holistic and psychological terms than only the economic indicator of GDP*<sup>§§§</sup>. As

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†††as mentioned in Ostry, Berg and Tsangarides (2014)

†††See Shrotryia (2006; 2011)

§§§See [https://en.wikiquote.org/wiki/Gross\\_national\\_happiness](https://en.wikiquote.org/wiki/Gross_national_happiness).



mentioned in one of its national human development reports<sup>\*\*\*\*</sup>, *the pursuit of GNH calls for a multi-dimensional approach to development that seeks to maintain harmony and balance between economic forces, environmental preservation, cultural and spiritual values; and good governance*. These four priorities are termed as four pillars of GNH<sup>††††</sup>.

In 2010, Joseph Stiglitz visited Bhutan and addressed the policymakers, bureaucrats and development agents. The focus of his address was the shifting from GDP to Well-Being as critically argued in a Report by the Commission on the Measurement of Economic Performance and Social Progress of which he was the chair. This Commission was initiated by the President of the French Republic, Nicholas Sarkozy in February 2008 after he felt dissatisfied with the state of statistical information about the economy and the society. The mandate of the Commission was to identify the limits of GDP as an indicator of economic performance and social progress, including the problems with its measurement; to consider what additional information might be required for the production of more relevant indicators of social progress; to assess the feasibility of alternative measurement tools, and to discuss how to present the statistical information in an appropriate way. The members conducted research on social capital, happiness, and health and mental well-being.

The report, also known as Sarkozy Report, made a strong case that it is high time for our measurement system to shift emphasis from measuring economic production to measuring people's well-being. Further, it also suggested that the measures of well-being should be put in a context of sustainability. The Commission gave five recommendations apart from looking at the well-being spectrum, viz., 1. when evaluating material well-being, look at income and consumption rather than production, 2. emphasise the household perspective, 3. consider income and consumption jointly with wealth, 4. give more prominence to the distribution of income, consumption and wealth, and, 5. broaden income measures to non-market activities<sup>‡‡‡‡</sup>.

Richard Easterlin (1974) perhaps was the first economist of the modern times who studied the relationship between happiness and economic outcome which culminated into a paradox known as Easterlin Paradox. It states that rise in income does not result in similar rise in happiness. Easterlin paradox came much before Sarkozy report. Similarly, in the UK, the New Economic Foundation (NEF), started developing Happy Planet Index (HPI) looking at life satisfaction, life expectancy and ecological footprints<sup>§§§§</sup>. Apart from the HPI, the NEF also develops national accounts of well-being (as advocated by Daniel Kahneman) which includes the measures of personal, social and emotional well-being.<sup>\*\*\*\*\*</sup>

In 2006, British Broadcasting Corporation (BBC) carried out a survey on happiness which reported that 47 per cent respondents recognised family relationship much more

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\*\*\*\* See Planning Commission (2000: 20).

†††† See Shrotryia (2015) and Shrotryia & Mazumdar (2017)

‡‡‡‡ For details see Stiglitz, Sen & Fitoussi (2010)

§§§§ See New Economic Foundation (2004; 2013)

\*\*\*\*\* See Kahneman & Krueger (2006)

important for their own happiness and wellbeing, only 8 per cent ranked money and financial status highest in importance. It concluded with stating that increase in reported life satisfaction is weakly correlated with rising income which is termed as “wellbeing paradox” (Jackson 2006: 16). Princeton University Press, published *‘The Politics of Happiness - what government can learn from the new research on well-being’* by Derek Bok in 2010. On the basis of the researches done all across the world, this book makes a strong case for getting the policymakers to prioritize well-being over excessive focus on the market economy (Bok, 2010). Alex Michalos (known for the Canadian Index of Well-being), categorically mentions – “*The economists messed everything up, the main barrier to getting progress has been that statistical agencies around the world are run by economists and statisticians and they are not people who are comfortable with human beings. The fundamental national measure they employ tells us a good deal about the economy but almost nothing about the specific things in our lives that really matter*”<sup>††††</sup>. Are we ready for shifting our focus towards well-being from every sense of the term rather than trying it out through the window of economic parameters? This is a major challenge before the state and policymakers.

It was July 19, 2011 when 68 nations joined Bhutan and supported its resolution on *‘Happiness: Towards a holistic approach to development’* for its adoption by the United Nations. The UN General Assembly adopted this resolution which recognized happiness as a fundamental human goal and emphasized on a more inclusive, equitable and balanced approach to economic growth that promotes happiness and well-being of all. The resolution stated - “The GDP indicator by nature was not designed to and does not adequately reflect the happiness and wellbeing of people in a country”<sup>†††††</sup>. This resolution mandated member nations to take steps towards putting efforts and realizing the vision of a development paradigm integrating economic, social and environmental objectives going beyond GDP based development. The resolution invited member states - “to pursue the elaboration of additional measures that better capture the importance of the pursuit of happiness and wellbeing in development with a view to guiding their public policies”<sup>§§§§§</sup>.

Taking the lead from this resolution, the UN hosted its first high level meeting on 2<sup>nd</sup> April 2012 on the theme of *‘Happiness and Well-being – defining a new economic paradigm’*. The then Prime Minister of Bhutan, Jigme Y Thinley, was the main force behind inviting all concerned stakeholders for discussion in this meeting. This historical meeting was attended by select heads of State, ministers, Nobel laureates, eminent economists, scholars, spiritual and civil society leaders from developing and developed nations. The UN Secretary General Ban Ki Moon said – “*We need a new economic paradigm that recognizes the parity between the three pillars of sustainable development. Social, economic and environmental*

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†††† Cited by Jon Gertner in an article published in New York Times Magazine on May 10, 2010, entitled *The Rise and Fall of the GDP* available at [http://www.glaserprogress.org/program\\_areas/pdf/The\\_Rise\\_and\\_Fall\\_of\\_the\\_GDP\\_-\\_Jon\\_Gertner\\_NYT\\_051010.pdf](http://www.glaserprogress.org/program_areas/pdf/The_Rise_and_Fall_of_the_GDP_-_Jon_Gertner_NYT_051010.pdf)

††††† See <https://news.un.org/en/story/2011/07/382052>

§§§§§ See <https://news.un.org/en/story/2011/07/382052>.

*well-beings are indivisible. Together they define gross global happiness*”<sup>\*\*\*\*\*</sup>. On June 28, 2012 all the 193 member states of the UN General Assembly unanimously adopted UN resolution 66/281 and decided to observe 20<sup>th</sup> March as International Day of Happiness or International Happiness Day.

Most of the outcomes mentioned here are parts of the larger construct of HWB. In the era of dominance of market forces and enormous capital flows, focus on HWB in public policy can be viewed as a transformational initiative. Last two decades have produced voluminous literature on the different aspects of happiness, human well-being, quality of life, etc., through all kinds of academic and experiential research. Alternative approaches to GDP to measure progress and development are being studied and developed in all parts of the world, so that next generations are able to view societies from newer perspectives and parameters and are encouraged to prioritise HWB over economic growth or GDP<sup>†††††</sup>.

The strong belief that Adam Smith had some two and a half centuries back was that the material possessions do not provide happiness though a large size of mankind keep getting involved in the struggle to acquire more and the disgrace of not being able to acquire more is the greatest pain of being poor (Smith 1984). On the other side agencies like the World Bank believe “*nothing besides long-term high rate of GDP growth, can solve the world’s poverty problem*” (World Bank 2008). Kuznets himself had stated that the welfare of a nation can hardly be seen from a measure of national income<sup>\*\*\*\*\*</sup>. In the given conditions it is difficult to understand the clear intent of the World Bank. But what is not difficult to understand is that Human Well-Being is an end and GDP a mean, its reversal shall ruin the future of public policy. The future of government policy should lie in putting humanism over free-market capitalism. The existence of the market should be to facilitate trade and commerce in such a way that helps in supplying what is needed rather than pushing demand to an extent that the customer behaves as a subservient to the corporate houses. Surrendering to the market forces has to be avoided at all costs through appropriate measures so that humanism supersedes capitalism.

## **Conclusion**

GDP as a measure of progress has been under scanner by many and alternative measures are being developed. In India, the former President, Pranab Mukherjee has been repeatedly saying that increase in GDP is not getting commensurate with increase in happiness so we need an alternative. Burchardt (2013) states that by following conventional measures of progress like GDP, much that is relevant to the health of an economy is omitted, the most important perhaps of which are household production and unpaid work. So if the boundary between market and informal (for example, parental) childcare shifts towards the former, this would show up as an increase in GDP, even though the amount of caring activity remains unchanged.

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\*\*\*\*\* See <https://news.un.org/en/story/2011/07/382052>.

††††† See Shrotryia & Singh (2019; 2020)

\*\*\*\*\* See <https://www.nytimes.com/2011/10/09/opinion/sunday/gdp-doesnt-measure-happiness.html> accessed on 24th Oct 2018.

The government through laws and regulations puts a system in place to develop, design and deliver effective policies for the welfare of people, vis-à-vis., state. Elected governments have greater challenge as compared to Monarchs or dictators. As societies are progressing and awareness is getting widespread, more and more nations are getting into democratic setup, by compulsion or by choice. Progression from compulsion to choice ideally project developed societies. It is in this reference that politics is to be applied to manage resources which provide fuel to draw effective policy for the state and its people leading towards assurance of HWB. The delivery of these policies becomes extremely crucial where rules, laws, regulations, etc., have to help in efficient execution of the policies.

Human Well-Being as an outcome should ideally be the prime target of all policies in a state - internal or external. In order to rule successfully, the ruler has to make sure that policies are driven to positively affect and improve the state of 'living well' of each citizen and they are communicated well. The first focus of the public policy should be to improve education system and to strengthen institutions of higher learning. The target of improving gross enrolment ratio has to be fully complemented with focus on quality of education at all levels.

Health sector requires huge investments specially for the developing world. STEM (Science, Technology, Engineering, and Mathematics) is much preferred choice of aspiring youth as compared to medical education due to better perceived opportunities and higher pay packages. It shall be a real problem of the future when India faces acute shortage of doctors. It needs urgent attention and the policy has to guide it positively. In medical profession the dominance of market forces and competition to earn more is highly prevalent as compared to the feeling of serving the society. The major cause of this is the neglect of health sector in developing good medical institutions. This has to be addressed through interventions in policy by investing more in building educational institutions which cater to higher studies in medical sciences and are fully supported by the government.

Government expenditure on social infrastructure is usually low in developing countries because of two major reasons – one, social sector does not fall in the priority areas for government planning as it does not provide visible return in short term; two, the lack of financial resources and pressing need to spend on other sectors which are urgent and assure visible return. Corporate Social Responsibility which is a mix of state, market and civil society, is playing an important role in India. The government had made it mandatory for the corporate houses to share 2 per cent of their profit for the cause of improvement in societies by building facilitating infrastructure and sharing the responsibility of the state in running socially beneficial projects. Much of the expense out of CSR budget of the companies is allocated to education, health, environment and governance.

Technology is a big disruptor. For not just businesses, but for state as well. The governments have learnt lessons from businesses and have started using technology to devise policies and to deliver them efficiently to the end users. Digital disruption is one such

initiative and Digital India is one such mission which is targeted to provide seamless services in an open environment assuring transparency, security and speed. Public policy is an area which needs to embrace technology to strategize and develop appropriate policies to improve quality of life of people, vis-a-vis their well-being.

For state to visualize better growth and development there are two approaches which are visible. First is to push the policies whereby driving people to learn and develop an attitude of adapting to change. This pushes the people to change without much choice. By some it is viewed as an imposition whereas some consider it to be the need of time. Whatever be the case broadly it is considered as an approach which may lead to better tomorrow. Second is to empower citizens through providing good education so that they can make better choices and take wise decisions. This approach also focuses on building better social infrastructure in order to assure better future in the long run. In this approach the citizens feel free and are driven from within to take initiatives, to develop the state and to contribute positively for better well-being of people. First approach gives short term result whereas the second approach provides long term returns.

As a state one has to have a mix of these two approaches so that balanced growth takes place with political compulsions and aspirations. Information and Communication Technology (ICT) has played a key role in empowering people whereby committing resources for improving HWB. Digital divide is getting improved and converted into digital dividend and resultantly is driving digital disruption to leverage excellent new technologies to connect with the stakeholders in more efficient manner. It is certainly heading towards building rich knowledge society and as stipulated would help HWB through digital empowerment.

Digital distraction has to be handled with care and digital wellness has to be assured. Overdose of provisioning digital platforms, where education standards are low, would be a much greater challenge for all the people involved in designing and delivering digital products and services. It also needs to be taken care that such a move does not negatively affect basic social fabric of a nation. We need to strengthen execution and effective implementation which would be possible only when digital literacy reaches to the nooks and corners of the region.

Nations have to commit themselves for improving quality of their people and have to look beyond economic measures. Use of technology should be directed to provide better and faster solutions which would help citizens to build trust in their elected governments. Technology can be used for seamless services guaranteeing equity and indiscrimination as human intervention could be minimized in this kind of eco system. It is quite encouraging to know that “societies worldwide have made enormous progress in improving the socioeconomic conditions for large groups of people over the last century. Just in the last 20 years, more than 1.2 billion people have been lifted out of poverty” (World Bank 2015). As Nobel Laureate Angus Deaton labels this achievement *the great escape* - “the story of mankind’s escaping from deprivation and early death, of how people have managed to make

their lives better, and led the way for others to follow” (Deaton 2013: ix)<sup>§§§§§§</sup>, the driving force has been to help deprived people reach minimum level of subsistence.

Increased inequality should not be the price of economic growth. “Income inequality focuses on the problems of the very poor or the broader socioeconomic implications of rising inequality... it makes us all less happy with our lives, even if we’re relatively well-off” (De Neve and Powdthavee 2016). This is interesting and hence the policies of a developing country should be designed to allow it to grow economically and to distribute the fruits of economic growth efficiently and effectively to all. Gandhi’s thinking is much relevant for HWB and happiness which provides sustainable solutions for the long term (Shrotryia 2005). Though the students are taught about the Gandhian way of living and told what he said- “the earth has enough to satisfy everybody’s need but not anybody’s greed,” the fact that acquiring more wealth motivates most of the population in one way or another has negatively affected the sense of well-being, especially in India.

Growth that is merely objective, development that is lopsided, progress that is based on just quantification, may not take us to a better future. It is overdue that happiness is given priority over generally quantifiable measures. Human happiness and well-being should be the target of public policy. Around the beginning of this century Polly Toynbee wrote in *The Guardian*<sup>\*\*\*\*\*</sup> – *When God died, GDP took over and economists became the new high priests. That has been the story of the last century.* The twenty first century should be the century which should go in the history as an era targeting HWB and happiness over growth-led model of development.

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<sup>§§§§§§</sup>as cited in World Bank (2017:40)

<sup>\*\*\*\*\*</sup>see <https://www.theguardian.com/politics/2003/mar/07/society.politicalcolumnists> accessed on 28th Oct 2018.

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