

A Study on How the Happiness Index Compares to Economic Growth of Any Country and How That Affects the Quality of Life

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Abstract

This study aims to investigate how the happiness index, gross domestic product (GDP), and quality of life are connected in various countries worldwide. The goal is to understand the relationships among these factors and how they contribute to the well-being of people on a global scale. The aim of this study was to explore how the happiness index, gross domestic product (GDP), and quality of life are interconnected in fifteen nations, utilizing the 2019 happiness index ranking as a basis. To achieve this, relevant data on the quality of life and GDP of these countries were extracted from computer databases using specific keywords. Subsequently, the collected data were analyzed through descriptive statistics to summarize and assess the relationships and patterns among the happiness index, GDP, and quality of life in the selected nations.

Nations with the highest and moderately high happiness index experienced a significantly better quality of life compared to those with the lowest happiness index. The nations with a moderate happiness index had a far higher GDP ranking than those with the highest and lowest happiness indices, respectively. The happiness of a nation is highly dependent on the caliber of its citizens. Even countries with the greatest GDP have poor happiness rankings. Hence, it is advisable for the government to allocate more resources towards the well-being of the population in the interest of the nation.

Keywords: Quality of life, Happiness index, Gross domestic product.

INTRODUCTION:

The term "gross domestic product" (GDP) is a standardized measure that assesses the total value of final products and services produced by a country within a specific timeframe. While it serves as a crucial indicator for gauging economic activities, it falls short as a reliable measure of people's social well-being or their overall quality of life. [1]

In 1934, Simon Kuznets became the first person to present the concept of Gross Domestic Product (GDP) to the United States Congress as part of a report. The evolution in the composition of GDP poses a crucial question because GDP traditionally served as a key indicator reflecting economic growth and productivity, impacting almost every individual within that economy. The shift in the composition of GDP raises a question mark, particularly in terms of measuring changes in the amount of value-added. The gross domestic product (GDP) provides insight into the functions of the manufacturing and service sectors of the economy, as well as how these sectors influence the overall state of a nation's finances. Therefore, it was essential for the government, industries, and households involved in the economy to understand the nature and direction of the connection between a country's economic development and its components at constant prices. This understanding was crucial for effective functioning within the economy. The GDP takes into account all of the output that takes place inside a country, regardless of whether the revenue comes from local or international propaganda. [1]

The Happiness Index is an important survey tool that examines components of each nation's sustainability, maintenance, and adaptability, as well as happiness and well-being. The Happiness Alliance set out to give a survey instrument to the community and those who were interested in making use of a subjective well-being index and statistics. The result was the creation of the Happiness Index. The satisfaction with one's life and one's circumstances may both be evaluated with the use of this tool. Moreover, it can also be employed to characterize variations in income, trust in government, and a sense of community, along with other elements of well-being, within a specific section of society.

The concept of Gross National Happiness (GNH) is a more holistic approach to measuring the quality of a country. It is based on the belief that the most positive development for human society occurs when both material and spiritual development occur simultaneously while complementing and reaffirming each other. The Gross National Happiness indicator is built on four pillars. [2,3]

The quality of life (QOL) component of health outcomes evaluation has evolved into an essential and often necessary component. The evaluation of quality of life (QOL) provides a useful tool to quantify the effect of health treatment for populations of people whose bodies are affected by chronic diseases, even when a cure is not at all attainable. Over the course of the last 20 years, hundreds of different measuring devices have been produced. Revicki and colleagues define quality of life as encompassing a broad range of human experiences that contribute to overall well-being. While the definition of quality of life is still undergoing refinement, this particular description is currently in use. It is characterized by individual experiences, feelings, and perceptions and indicates worth depending on how well something functions in contrast with one's own personal expectations. This term suggests that there is more to quality of life than just one's health. The Quality of Life Scale, sometimes known as the QOLS, was first designed by John Flanagan, an American psychologist. [4,5]

The QOLS (Quality of Life Scale) initially consisted of a 15-item questionnaire designed to assess various aspects of quality of life across five conceptual domains. These domains include material and physical well-being, interactions with other people, engagement in social, communal, and civic activities, personal growth, fulfillment, and enjoyment, as well as participation in recreational activities. The questionnaire underwent an expansion by adding one more item. This adjustment came about after a descriptive study revealed that individuals with chronic diseases demonstrated a questioning attitude in their assessments of quality of life. The new item introduced is "independence," focusing on the ability to accomplish one's tasks and make decisions through individual efforts. Consequently, the current format of the QOLS comprises sixteen items for users to consider within each area of the original Flanagan version of the scale. [4,5]

When assessing the health of a nation, the economy and the standard of living of its citizens are the two factors that should be prioritized the most. The state of happiness across the nation may then be determined using this metric. The current study aims to explore whether there exists a correlation among global levels of happiness, quality of life, and gross domestic product (GDP).

Methodology

This article delves into an analysis and discussion of the Happiness Index and its correlation with Gross Domestic Product (GDP) and Quality of Life. Electronic sources such as GDP rankings from worldwide population review, world data.info, and the world happiness report were consulted to gather data for the happiness index, quality of life, and gross domestic product. The study focused on the top five happiest countries, the next five happiest countries, and the bottom five happiest countries based on the 2019 happiness index, ensuring simplicity and generalization.

Simultaneously, information on the quality of life and gross domestic product for the top five, middle five, and bottom five countries in terms of happiness levels was also collected. Descriptive analysis integrated into Microsoft Excel was employed to tally and analyze the compiled information.

RESULTS:

TABLE 1: Ranking of Gross domestic product (GDP) among the most five happiest countries

S. No	Countries	Happiness index (Scores)	Gross domestic product (Rank)
1.	Finland	7.769	44
2.	Denmark	7.600	39
3.	Norway	7.554	31
4.	Iceland	7.494	106
5.	Netherlands	7.488	17

Table:- Illustrates the connection between the gross domestic product (GDP) and the top five happiest nations globally. Iceland, despite having a relatively modest gross domestic product, currently holds the fourth position in the global happiness index rankings.

FIGURE :- GDP and Quality of life among happiest countries

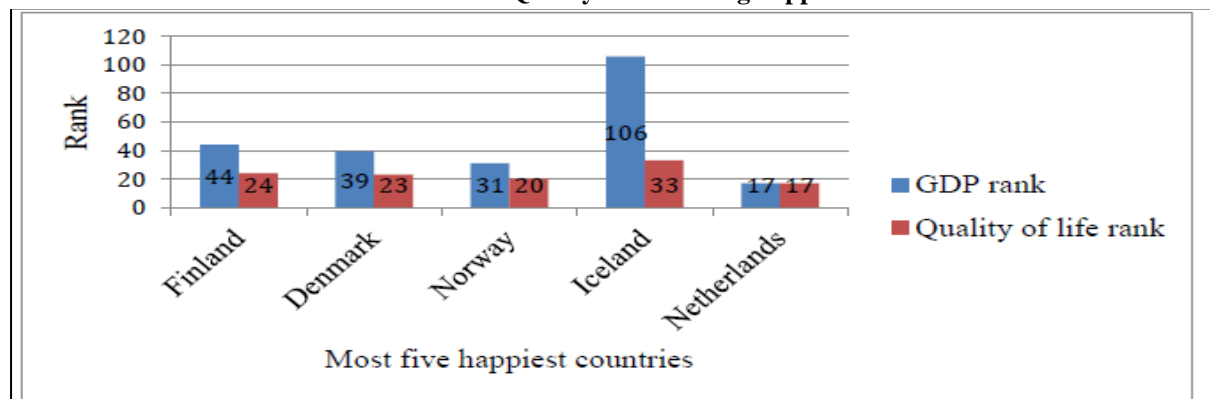


Figure :- Demonstrates of connection between Gross Domestic Product and Quality of Life in the top five GDP nations. Iceland has a low gross domestic product but a high standard of living.

TABLE 2: Ranking of Gross domestic product (GDP) and Quality of life among moderate five happiest countries

S. No	Countries	Happiness index (Scores)	Gross domestic product (Rank)
1.	Hong Kong	5.430	34
2.	Dominican Republic	5.425	66
3.	Bosnia and Herzegovina	5.386	114
4.	Turkey	5.373	18
5.	Malaysia	5.339	35

Table- Represents the relationship between Gross Domestic Product (GDP) and the moderate five happiest nations. Except for Bosnia and Herzegovina, the moderately happy nations have a high ranking in terms of their Gross domestic product.

FIGURE : Association of GDP and Quality of life among moderate happiest countries

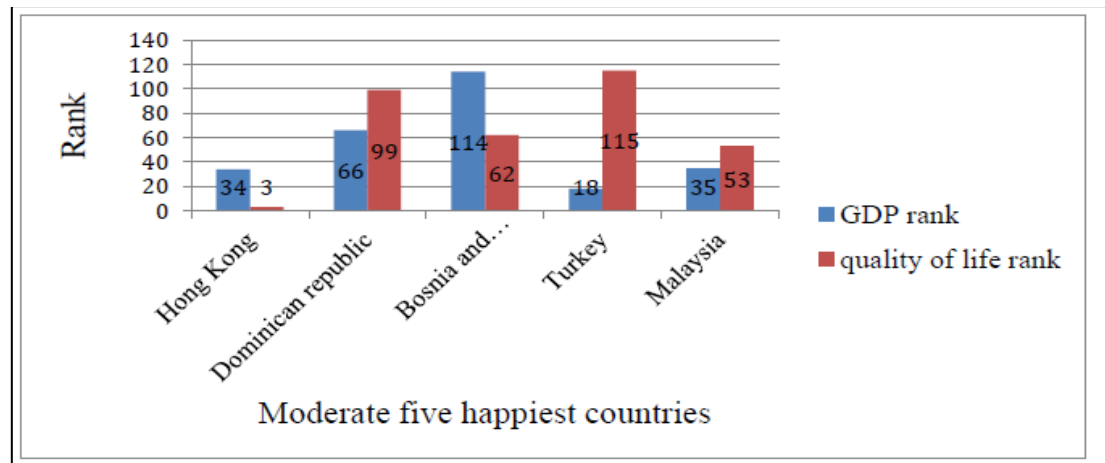


Figure:- Highlights the correlation between Gross Domestic Product (GDP) and Quality of Life within the group of moderately happy nations. These countries exhibit a combination of a high GDP ranking and excellent standards of living. Notably, Turkey holds a very high GDP rank but with a relatively mediocre quality of life, in contrast to Hong Kong, which boasts an impressive quality of life along with a high GDP rank.

TABLE 3: Ranking of Gross domestic product (GDP) among the least Happiest countries

S. No	Countries	Happiness index (Scores)	Gross domestic product (Rank)
1.	Yemen	3.355	102
2.	Tanzania	3.303	76
3.	South Sudan	3.254	164
4.	Central African Republic	3.083	166
5.	Burundi	2.905	158

Table-3: Shows how the Gross domestic product is related to at least five of the happiest nations. The nations with the lowest happiness indices have very low GDPs.

FIGURE 3: Association of GDP and Quality of life among the least Happiest countries

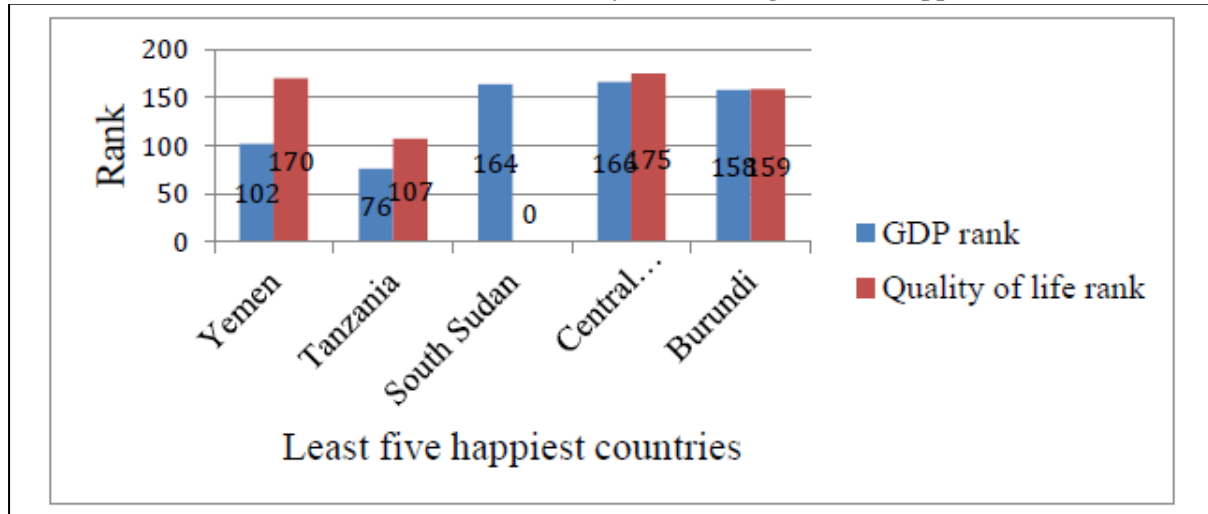


Figure 3:- Demonstrates the relationship between GDP and Quality of Life among the five least happy nations. These nations had low GDPs and a low standard of living. Tanzania and Yemen are two nations with average GDPs but poor quality of living. There were no statistics available for South Sudan's quality of life rankings.

DISCUSSION:

The research aimed to examine and compare Gross Domestic Product (GDP), happiness index, and quality of life across different nations worldwide, organized into groups based on the happiness index. The findings challenge the notion that high GDP is the sole determinant of a high standard of living. Surprisingly, even nations with very low GDPs were found to have a commendable standard of living. This suggests that financial wealth alone is not the sole factor influencing happiness and quality of life. The research underscores that GDP, happiness, and quality of life do not consistently align; their relationships are more complex and nuanced. The variability observed in numerous studies on the happiness index further emphasizes the multifaceted nature of these factors. Despite having a low GDP, Finland is the happiest country in the world according to the happiness index. Finland's residents felt more autonomous, and the government valued their rights and freedoms more than any other nation, which was the main factor in this striking disparity. [6] The key factors that allowed this nation to achieve the highest ranking in the world's overall happiest index were the psychological significance and freedom of self-respect provided to the people.

Finland has previously seen lucrative economic development, but in 2019 the graph began to decline as a result of increased expenditure by the new administration on infrastructure, jobs, and climate change initiatives. The financial foundation is strong, but their government must take some more steps. [7] Finland is ranked -1 in the happiness ranking because its citizens enjoyed a better year overall (YoGL). Finland ranked well on both subjective and objective measures of life happiness and longevity.

The government of Finland placed a strong emphasis on making investments to improve the country's human resources and cognitive development. It was the best-governed nation in the world and had highly developed industry, strong finances, and a well-functioning welfare system. Finland's demographic stats were similarly outstanding, showing a progressive crude mortality rate and crude birth rate. [8] A nation's happiness is not solely determined by its economic factors or its GDP per capita. Instead, it is rooted in the welfare, life satisfaction, and overall well-being of its people. These elements contribute to a country's top ranking in the happiness index. Denmark has extremely high living standards and a very good quality of life.

Indeed, Denmark's high happiness index can be attributed to factors such as a stable government, minimal public corruption, and access to excellent healthcare and education. The tax burden in this nation was the highest in the world [9], but most Danes were more than willing to pay it since they thought more taxes would lead to a better society. The degrees of pleasure and enjoyment were greater among Danes. Even with limited income, they

possess the skill to maximize their resources. This ability results in high levels of satisfaction and a positive attitude.

The main factors that maintained them at the top of the happiness rating were these. [10] The healthcare situation in the state exhibits both strengths and weaknesses. The strengths are attributed to a robust quality assurance system, protection of patient rights, elevated patient satisfaction, effective cost management, and notable emphasis on palliative care. The nation's fragility is a result of its short life expectancy. [11] The main factor contributing to the country's poor quality of life was the lack of access to hospitals for those living in rural regions and their loss of sight.

According to a 2018 report, Norway's happiness score dropped from first to third. However, despite having fewer instances of corruption, strong social support, and independence, it was still the most beautiful nation in Europe. These characteristics contribute to this nation's ranking as one of the world's happiest nations. [12]

Norway currently holds one of the highest Gross Domestic Products (GDPs) globally, thanks to the success of its flourishing businesses and the prudent management of its abundant natural resources. While output growth is recovering, many aspects of GDP-related well-being are still strong. [13] According to the OECD, Norway has a greater life expectancy than the world average at 81 years old. Furthermore, Norway had lower levels of pollution; therefore it is not unexpected that the majority of Norwegians were content with their everyday lives. Norwegians scored 7.5, higher than the 6.6 OECD average, on a scale of 0 to 10 when asked to rate their level of life satisfaction. Norway is among the top nations with regard to its low crime rate and excellent standard of education. [14]

The small Icelandic island proves to be more of an advantage than a challenge for its residents. The nation offers benefits such as low taxes, free healthcare including prescription drugs, accessible and quality education, and picturesque landscapes that contribute to overall happiness. The Icelandic economy operates as an open, high-income system, effectively blending elements of a welfare state with a free-market economy. Iceland has the smallest economy, according to the OECD, despite having a high per capita income and a previous year's GDP of USD 25.9 billion. Iceland is a tiny country where most families have close proximity to one another.

They have close ties to their friends and family. The biggest factor contributing to Icelanders' happiness is their ease in maintaining relationships with everyone. Icelanders believe they live well and have reasonable control over their lives there. [17, 18] The main components of a sound happiness index in the Netherlands were a solid income, the freedom to choose one's path in life, a high standard of living, a strong social foundation, amplitude, and low levels of corruption.

The GDP growth rate for 2019 decreased from 2% to 1.4%. The faltering global economy might be the primary cause. The rise in environmental levies will result in higher inflation by 2019. However, the fact that unemployment was reduced may be a positive indicator of future GDP growth. [19] Based on a number of important criteria, such as infrastructure, sanitary standards, and climate, Dutch towns' quality of life was highly rated. They have a high importance placed on education and a low crime rate. [20]

The housing crisis, inadequate development, governance marked by inequality, growing wealth gaps, and geographical distances have collectively contributed to Hong Kong's diminished happiness score and declining well-being. Despite boasting a high GDP per capita of US\$38,784 in 2018 and a relatively low unemployment rate of 2.9%, Hong Kong faces challenges that go beyond economic indicators. It is one of the most densely populated regions globally, highlighting the complex issues that a nation cannot solely address through economic measures.

Hong Kong receives high rankings in global city assessments for economic success, attributed to its expensive housing market and less-than-ideal living conditions. However, when it comes to evaluations of quality of life, the city tends to receive more modest or even unfavorable scores. Hong Kong is a fascinating case study to examine the connection between QoL and Housing Environment because of its complexity and contradictions. [22] However, in 2019, Hong Kong enjoyed a very high quality of life compared to other nations, including those that score highest on the happiness index. This may be a result of the government's excellent upkeep of its healthcare programs and its high standard of care.

The Dominican Republic's economy was free-market; the two industries that employ the most people there are finance and tourism. Agriculture continues to be very important to the economy, supporting the nation's exports

of goods including sugar, coffee, and tobacco. [23] The Dominican Republic has achieved considerable progress in eradicating poverty, according to the World Bank, but it is also powerful and vulnerable to natural catastrophes like the storms Maria and Irma that tore across the Caribbean in 2017. The Dominican Republic's citizens needed better terms from the government, which also provides enough public services. [23]

The quality of life is impacted by the fact that, according to the World Bank, the country's maternal and newborn mortality rates were greater than those in other nations. [23] There was a lack of pertinent information on Bosnia and Herzegovina. Turkey excels in terms of social support, per capita GDP, and a reasonable, healthy life expectancy among all the factors considered. Notably, there appears to be a decrease in the prevalence of corruption across the nation. [24]

Turkey's economic and social progress has a significant impact and has raised employment and salaries, elevating the nation to the upper-middle income bracket. However, in recent years, such accomplishments have been endangered by a rising economic position and a more difficult external environment. [25] The nation has a wonderful fusion of Eastern and Western customs and a cheap cost of living. Turkey ranks well in terms of both quality of life and tolerance of different cultures. The nicest people may be found in Turkey, where there is a reduced crime rate and a fair life expectancy. [26]

Malaysia is a nation with many different ethnic groups; there was a shooting between police and criminals even in a public area. On the other hand, as the socioeconomic structure changed, so did the communal systems throughout time. Because of the lack of social interaction and reliance on contemporary transportation in daily life, there were an increasing number of crimes. The emergence of the Internet era has made communication more accessible, which provides opportunities for criminal organizations engaged in drug trafficking, human trafficking, online fraud, and other crimes. [27]

According to Bank Negara Malaysia, Malaysia's economy grew by 4.3 percent from 4.7 percent in 2018, as measured by gross domestic product (GDP). [28] Malaysia is among the least expensive nations. The survey's findings were based on a number of important variables, such as housing, education, food costs, transportation, monthly income, environmental quality, and taxes.

As can be seen from these elements, quality of life is a result of a variety of variables that reflect how comfortable individuals are in their lives rather than just what we have access to or not. Malaysia was thought to provide a stress-free lifestyle with few challenges. [29] Yemen was referred to in antiquity as "Arabia Felix," which is Latin meaning lucky or pleasant. However, the most recent U.N. World Happiness Report lists it as one of the least happiest nations in the world. Yemen's unhappy state was characterized by its dire socio political circumstances. Due to the countless wars, crises, and terrorist acts carried out by ISIS, Yemen is one of the poorest nations in the world. [30]

The Yemeni economy has drastically declined as a result of the violent war in March 2015. Although current numbers show that the GDP has decreased by 39% since the end of 2014 The war severely disrupted economic activity, leading to a massive decline in employment prospects in the public and private sectors. Due to instability and a shortage of supply and inputs, the cost of every item increased dramatically, significantly harming the nation's economy. [31] Significant harm If the violence continues, Yemen is destined to overtake China as the poorest nation in the world, according to a study from the UN. Since then, fighting has caused tens of thousands of deaths, largely among civilians, and caused Yemen to burn or go hungry. [32] Yemen is now experiencing the greatest humanitarian disaster on earth, according to the U.N. Yemen is thus listed as one of the least developed nations in the overall examination, and its high mortality rate was discovered.

In order to determine the happiness of Tanzanian citizens, a ladder with steps numbered from 0 at the bottom to 10 at the top was used as an example, and respondents were asked to choose which level they would want to stand on. Most of the responses fell into the bottom step because, after questioning, it was discovered that individuals have weaker social ties, unreliable interpersonal relationships, and are unhappy with their independence and ability to make decisions about their lives. The levels of corruption were higher than anybody could have imagined. The residents said that the country's education and educational standards were poor. [33] Tanzania's GDP growth was predicted to be 6.8% in 2019, which is a modest decrease from 7% in 2018.

The economy has undergone diversification from its previous state, marked by robust private consumption, substantial government expenditure, strong growth in investments, and an uptick in exports. These factors collectively contribute to a promising outlook for various sectors, including tourism, mining, services,

construction, agriculture, and manufacturing.[34] Although Tanzania's quality of life has increased recently, the nation still confronts a number of health issues. Many young infants die from malaria, but HIV is the main cause of mortality among adults. Additionally, it fights against sex trafficking, forced labor, and the drug trade. [35] The youngest nation in the world and the least pleased is South Sudan. It was spawned by conflict, and as of today, war and conflicts still exist. According to estimates from the U.N., 60 percent of South Sudanese citizens face food shortages and insecurity. [36] The nation does poorly in a number of areas, including freedom.

The South Sudanese economy generated 3.68 billion dollars in revenue in 2019. Although South Sudan's GDP has seen significant fluctuations recently, predictions indicate that it would decline during the years 2013 to 2019 and reach 3.68 billion US dollars in 2019. [37] There is currently no accurate information available about the country's quality of life.

Even though the specific quality of life index score for South Sudan is currently unavailable, the overall quality of life for its residents remains notably poor. This is primarily attributed to ongoing political unrest, economic challenges, and a severe drought that has intensified violence and resulted in widespread food shortages. With a population exceeding seven million, nearly two-thirds of the people require medical assistance and struggle to avoid food shortages. For years, the continuing hostilities have brought millions of people dangerously close to hunger. Famine struck South Sudan in 2017, and it has continued to be a burden ever since. [38]

The nation with the lowest happiness index was the Central African Republic. The nation's unfavorable ranking can be attributed to all six elements, with social support, healthy life expectancy, and GDP per capita being the major factors. Prolonged sectarian warfare has been a persistent issue. Additionally, the signing of a peace accord in February 2019, while a positive step for stability, has had a notable impact on economic operations, resulting in a slowdown of GDP by 3.8% and 4.8% in the years 2018 and 2019, respectively. From 1.6 in 2018 to 3.2 in 2019, inflation surged. [39] Due to the decline in inflation, this nation continues to have a high level of poverty.

A persistent medical emergency has locked the Central African Republic (CAR) in its grip. The second-lowest life expectancy in the world is found in the Central African Republic (CAR), which also has a high death rate because to seasonal epidemics, economic downturns, hostilities, evictions, and a weak health system. [40] Along with poverty, Burundi's security situation has become worse since 2015; hundreds of thousands of civilians have left the nation as a result of direct or indirect threats.

The refugee camps were also exceedingly dangerous and difficult to live in. Due to the crisis, the economy became worse; many people lost their jobs, grants were lost, many employees lost most or all of their income, and company owners had to shut down their operations. Students were no longer given breakfast. [41] Burundi is the least happy nation in the world as a result of all of these factors, which is why it comes in last on the happiness index. On the basis of increasing coffee exports and a minor rise in the general population, the economy recovered further in 2019 (3.3% growth in real GDP).

Investment risk associated with financial crisis is still significant, and this year has been unusually productive for agriculture. [42] Throughout 2018, Burundi's security forces and youth league members of the political governing party commit many violations of human rights, including summary killings, rapes, kidnappings, and beatings.

Women who were expecting or had had children were not allowed to attend school, according to the law. Four weeks later, the administration changed its mind without providing a justification. [43] These factors may make individuals feel more stressed out and lower their quality of life. Upon comparing the nations categorized as the most and moderately happy to those identified as the least happy, the comprehensive findings of this research indicate that the more and moderately happy countries exhibited a superior quality of life. Additionally, in contrast to countries with the highest happiness indices, the moderately happy nations demonstrated a relatively high Gross Domestic Product (GDP).

CONCLUSION:

The prosperity of a nation is closely intertwined with the quality of life it offers. While a country's GDP contributes to an improved standard of living, the quality of life itself plays a pivotal role in determining the overall prosperity of the nation. In light of the well-known proverb that "health is wealth," the government should place a greater emphasis on the health of its citizens and invest a greater proportion of the GDP on health care. This opens the door for happiness to spread across the planet.

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