



HAPPINESS AND GROWTH: A COMPARATIVE ANALYSIS

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ABSTRACT

Happiness is a kind of feeling which make us joyful, optimistic and more energetic. Different person sees happiness from different prospective. They have different perception about life. Some also relate it with growth also. So here I want to analyze if it have any relation with growth of a country or not.

Happiness:

The World Happiness Report is a measure of happiness taken on the basis of six important factors that are accountable for a country's well-being as well as happiness of the people. **These factors are (a) GDP per capita, (b) good health and healthy life expectancy, (c) someone in the family to count on, (d) freedom to make choices in life, (e) freedom from corruption, and lastly (g) generosity.**

(Source - worldhappiness.report/wp-content/uploads/sites/2/2015/04/WHR15.pdf)

(Arjunaa Davaadori (2009), Economic of Happiness: Bhutan's Vision of Development and its Challenges to Europe.)

In 2006 Med Yones, the President of International Institute of Management, proposed a second generation GNH concept - treading happiness as a socioeconomic development metric. According to Mr. Yones (2006) 7 development areas including 24 nation's mental and emotional health to measure socioeconomic development are as follows:

1. **Economic Wellness:** Indicated via direct survey and statistical measurement of economic metric such as consumer debt, average income to consumer price index ratio and income distribution.
2. **Environmental Wellness:** Indicated via direct survey and statistical measurement of environmental metric such as pollution, noise and traffic.
3. **Physical Wellness:** Indicated via statistical measurement of physical health metrics such as severe illness, overweigh etc.
4. **Mental Wellness:** Indicated via direct survey and statistical measurement of mental health metrics such as usage of antidepressants and rise or decline of psychotherapy patients.
5. **Workplace Wellness:** Indicated via direct survey and statistical measurement of labor metrics such as jobless claims, job change, workplace complaints and lawsuits.
6. **Social Wellness:** Indicated via direct survey and statistical measurement of social metrics such as discrimination, safety, and divorce rates, complaints of domestic conflicts and family lawsuits, public lawsuits, crime rates.
7. **Political Wellness:** indicated via direct survey and statistical measurements of political metrics such as the quality of local democracy, individual freedom, and foreign conflicts. The above 7 metrics may not be the best and all-inclusive perfect measure but the deliberation of the parameters might be decent start from new metrics for measurement of socioeconomic and policy management. Concluding this subchapter Bhutanese development has always been emotional well-being rather than economic progress.

Growth Rate:

Most of countries measure its growth by Gross Domestic Product (GDP) which is the total value in monetary terms of all the produced finished goods and services within the country calculated per annum, including private and public consumption, investments, and exports during that year. In India, the economic growth, the economic health and the country's standard of living are known by its GDP. In terms of the GDP growth rate, the country is measuring its progress with development of agriculture, industries and services sectors. (Diwedi, 2012) But from an overall point of view, the country is still deeply rooted with many social problems like as poverty, unemployment, illiteracy, child labor, population, lack of healthcare facilities and many more such problems.

Growth Rate is measure on basis of comparison of two financial years which represent in percentage. That Growth Rate is the measure of many countries' growth.

In the following table we tried to make a comparison between Growth Rate i.e. measurement of growth and Happiness of different countries. And we found some paradoxical fact about growth rate and happiness.

Comparative Analytical Table of Growth Rate and Happiness:

	Growth Rate	Happiness
Meaning	Measure on the basis of GDP of two financial Year.	Measure the development through economic and Non - Economic factor.
Monetary or Non - Monetary	Monetary factors only	Monetary as well as Non - Monetary factors including
Determinant Factors	Land, Labor, Capital and Entrepreneur	Corporate Governance, Sustainable Development, Natural Environment and Cultural Value
Ranking of USA	1st	13th
Ranking of India	7th	111th
Ranking of Switzerland	19th	1st
Limitations	Not covering Non - Economical factors like Sustainable Development, Natural Resources, corporate Governance, Corruption, Externalities etc.	Not easy to measure Non - Economical factors
Advantages	Easy to measure on the basis of Goods and Services produced	Considering qualitative factors which has great impact on our Personal Life, Environment and Society

2. Review of the Literature:

Human beings are created in a unique way. The qualities we engage differentiate us from one another, as we are gifted with unlimited blessings. We have almost full control over our actions and behavior, which is the reason why we sometimes struggle to innovate new methodologies for our well-being.

Going back in history we started our lives from caves until being part of this Global village. The question we ask, that are these changes such as measuring Gross Domestic Product (GDP) as well as Gross National happiness (GNH) really for the best?

Within this assignment, in the light of Economics we will be discussing the way Nations/States manage their lives (well being). The main focus will be on explaining the differences between Gross Domestic Product (GDP) and what the state of Bhutan in the Himalayas call 'Gross Nation Happiness' (GNH). The assignment will then move onto discussing the main problems of measuring both GDP and GNH.

GDP formally known as Gross National Income (GNI) has been elaborated from a Russian-born, American educated, and “Father of National Income Accounting”. Dr Simon Kuznet introduced the method of calculating National Income, although concept of National Income has existed for hundreds of years. Consistent measure of National Income remained invisible or nonexistent before Kuznet’s work. Byrns, R T. 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. (Paul A. Samuelson and William D. Nordhaus)

Like any other process, the method National Income (NI) has crossed many stages to become GDP. At this day and age we have a barometer to gauge the financial health of a Nation and yes, money plays a vital role to fulfill the necessities of life, but it has been proven that stress levels are much higher within the wealthier communities. The question, which arises here, is what is it that’s lacking, despite of having fair and good financial health, especially in developed countries, as the majorities are still not living a happy life. Crabtree, S. (Oct 2009)

However, GDP was intended to be a measure of economic growth. GDP was never planned to be a measure of overall social well-being. This western economic theory makes the statement that

economic growth will enhance social well-being. Research has indicated that in most cases this statement is true, for example when basic human needs are better met. However, GDP is seen to be an imperfect measure, as it does not account for the environmental and social degradations that often accompany economic development.

*“Although gross domestic product (GDP) is not **intended** to be a **measure** of societal welfare, it is often used as such. One shortcoming as a welfare **measure** is that it fails to account for the non-marketed value of natural resource flows.”* Turner, P. Tschirhart, J. (1999)

Moreover, GDP was intended to help politicians with the circumstances of World War II. (Bureau of Economic Analysis, 2000). It was a guide to post-war economic policy and it is hard to underestimate its success. William M. Daley, U.S. Secretary of Commerce, stated that:

“Since the end of World War II, when the GDP accounts were more fully developed and in wider use, the boom and bust swings are much less severe. They have had a very positive effect on America’s economic well-being, by providing a steady stream of very useful economic data.”

The success of the GDP can be seen in its ubiquity, it has become the pre-eminent measure of economic and, to a large extent, social well-being.

Gross National Happiness (GNH) on the other hand, which has been attributed to the former king of Bhutan, is seen more important than ‘Gross Domestic Product’ The former monarch is said to have made GNH the guiding philosophy of Bhutan’s development process, soon after his enthronement in 1972 (Thinley 2007). However, it was not until the late 1980s, that the king began to use the GNH concept openly in an attempt to ensure that economic development was in harmony with Bhutan’s culture, institutions and spiritual values (Ura and Galay 2004).

Introducing Bhutan and GNH to outside ideas and institutions began in the early 1960s, and apparently picked up pace in the 1970s (Ura and Galay 2004). In that context, the GNH concept probably evolved as good-humoured play on words to make the point that the development process ought not to be directed toward increasing GNP if this is at the expense of traditional values.

Some critics have had difficulty in accepting the GNH concept. This is mainly due to the word ‘Gross’ as in GNH this does not appear to have any meaning, where in GNP it does, it also does not have a meaning corresponding to that in national income accounting.

However, this has not prevented the GNH concept from becoming a national objective in Bhutan. Article 9 of the Constitution of this new democracy states:

‘The State shall strive to promote those conditions that will enable the pursuit of Gross National Happiness’.

Furthermore, GNH has been debated around the world for many years. Nevertheless, it has received overwhelming support and encouragement from all over the world, be it scholars, educationists, politicians, researchers alike. In addition, GNH is widely discussed internationally. At least four international conferences have been held specifically on GNH, attracting participation by scholars from different disciplines and different parts of the world. (Ongmo, S Dec 2009)

The reason for the overwhelming support and sympathy that the GNH concept is receiving worldwide is that the citizens everywhere are dissatisfied with the way societies are progressing currently in the world. They are increasingly concerned with their quality of life where GDP is the sole yardstick used for measuring social progress prompted by globalization. Now people are demanding for more sustainable and complete approach to development taking into account dimensions such as social, environment and culture into policy framework. Comments such as the below have been made which is making GNH the next phenomenon. *‘Our industry should be boosting gross national happiness’* (Pollard, I 2008)

In this context, GNH challenges the one sided measure of social progress using GDP as the only indicator. The Bhutanese government refuses to consider GDP as a good indicator enough to measure development. It argues that GDP is simply a measure of the currency that switches hands and it doesn’t take care of the growing social problems and deteriorating natural resources of a nation. (Sonam Jamtsho, Principal, Peljorling MSS, Samtse)

In today’s age, we have mentioned GNH is a potential substitute for GDP. (Ray, Debraj (1998): Development Economics, New Delhi, 1998.) As we have found that GDP has failed to

measure on whether it has benefited the nation or not as its only focus has been on the economy. Factors such as natural disasters haven't been considered which could contribute to the GDP growth as it stimulates economic activities such as increasing demands for construction. Also I have found that the measure of GDP isn't accurate as there is fear that statistic errors along with pollution factors aren't being included, which would affect the overall performance. GDP also fails to measure things like quality improvement, this is due to the fact GDP can only measure the price as value, but not the quality of goods being produced. Saturday, January 31, 2009, 17:19 Also when assessing the performance of nations, GDP is often the policy used to measure wealth. However, it fails to measure more delicate forms of wealth, which are maybe more important to the average persons well being. Harrell, E Sep 2009. Nevertheless, I have found that changes or adabating to different policies will be a real challenge as for example swapping our UK standard of living for that of an average Bhutanese citizen would be very hard to adabt . By Eben Harrell Wednesday, Sep. 16, 2009

In contrast, GNH has become a more complete indicator as it draws upon a broader set of social, environmental and health measurement. One of the GNH creators Lyonpo Jigmi Thinley states:

“We have to think of human well-being in boarder terms. Material well-being is only one component. That does not ensure that you are at peace with your environment and in harmony with each other.”

GNH aims to evaluate sustainability, wellbeing and quality of life. There are nine index variables and many different metrics, which it uses to measure GNH. For example some on the key measurements include total household income, the highest level of education, the value of voluntary work and unpaid housework, natural capital such as energy, air and water quality, sustainable transportation, levels of health and education, crime, pollution and recycling levels. However, GNH faces its own limitations. Certain elements which make GNH become possible such as happiness from love is in fact hard to be measured by a rare method as people have different perceptions towards what happiness really means to them. In addition, GNH is only an indication and does not solve the real problems. For example, after releasing GNH in Bhutan, the country still faces challenges such as poverty and alcoholism.

It will be argued here that the happiness revolution might, instead of bringing about the return of “utility,” ultimately condemn this concept for being simplistic, and reveal that subjective well-being cannot serve as a metric for social evaluation without serious precautions. Fleurbaey, Marc(2009)

However, no measure has yet been proven to be perfect as the concept of GDP has risen concern of why the world measuring its development, progress and even sense of success by the GDP, if it does not properly account for the things that are beneficial or destructive to society. After all, the economy is just the exchange of goods and services that are meant to enhance the standard of living. Economist Alan Greenspan, and even the inventor of GDP, Simon Kuznets, warned about using GDP to measure well-being and prosperity (Haggart, 2000).

Policy makers and Nations such as the U.S have intended to make positive changes to improve the structure. U.S has requested the Bureau of Economic Analysis (BEA) to revise the way it measure’s GDP levels and growth. One of the changes consisted of switching to a chain-weighted method of computing aggregate growth which depends on the current price information. This allowed BEA to measure GDP growth more accurately by using a new, “chain-weighted” procedure which would eventually eliminate upward biases in the incoming data. This indicates that challenges have been recognized when gathering accurate data for GDP and those policymakers are to some extent trying to make changes to enhance the method. However, study has shown that there are drawbacks which aren’t allowing the new measure to work as swiftly as it was intended to, as there has only been a small impact on the analysis of the macro economy. The new data, however, showed that the economy has been growing a bit less rapidly over the last few years than they had expected. The new policy also didn’t alter any estimates of the effects of monetary and fiscal policy on inflation, employment, and the budget and trade deficits. Key data on inflation, such as the consumer and producer price indexes, will not be changed, nor will the data on employment or the budget and trade deficits. On the whole, the most significant consequences of the revised GDP measurement system may be that growth in recent years will be marked down and the chronic upward bias to ongoing estimates of aggregate growth eliminated.

Policy makers have recognized that GDP successfully measures the national economic strength; however, as discussed above, GDP fails to measure things that ‘make life meaningful’. [Morgan](#)

[House](#) – January 1, 2011. Collaborating GDP and GNH has been discussed in many states such as the U.S and the UK. Concepts of measuring both happiness and Gross are in talks, but research suggests that there is a lot of work involved, however, there are signs that they are working in the right direction.

A strategy in the U.K which many of us are aware of, track trends that affect the communities well being by using data from the census surveys where government agencies that track health, the environment, the economy and other societal barometers.

U.S on the other hand, are working with a research team at Princeton who are working with the Bureau of Labor Statistics to incorporate this kind of charting (census) into its new “time use” survey, which began last year and is given to 4,000 Americans each month. Dr. Alan B. Krueger, a Princeton economist working on the survey stated that:

“The idea is to start with life as we experience it and then try to understand what helps people feel fulfilled and create conditions that generate that,”

This method is intended to equip and educate the American quest for ever more income. But that benefit would have to be balanced against the problems that come with the increased stress imposed by additional testing.

“We should not be hoping to construct a utopia,” Professor Krueger said. “What we should be talking about is piecemeal movement in the direction of things that make for a better life.” on the other hand, star

China using, what is known to be a complex index called Human Development Index (HDI), that was established by Nobel Prize laureate Amartya Sen, which was then replaced by Gross National Product in 1990. China, who is another nation which is attracted to the concept of Gross National Happiness (GNH) as they found it an urgent necessity to move away from the GDP-led approach to a more human-centered style of government. The difficulties that many nations are facing that happiness cannot be measured.

The IEA, quite fairly argue that the satisfaction levels have not really gone up or down since records began in the 1950s might simply show that measuring happiness is a very imprecise

science. As the authors point out many happiness measurements are based on a three-point scale with people asked if they feel unhappy, happy, or very happy.

Basing government policy on such an imprecise measurement would be like the Bank of England's monetary policy board basing its policy decisions on whether people say they are feeling poor, rich or very rich", they write.

It's not just rising income levels that don't appear to affect happiness levels. Rising levels of violent crime also don't appear to affect it. The high unemployment of the 1980s doesn't seem to affect it. Nothing seems to affect it. It just continues in a straight, boring line. So what policy conclusions can we draw from this? None, it would be fair to suggest.

The main problems identified were indicators such as the service input as defining and measuring has become very complex as Some business have mixed service departments in which trying to differentia could be a hard task. Also measuring non market goods such as housework and raising a family is also a challenge. GDP figures also exclude the making of goods and services that are not sold within markets. This component includes housework, meals cooked at home, and child care provided by parents, as well as services volunteered for charities and other groups. For example, when parents care for their own children, the value of their care does not appear in GDP. However, when parents pay for child care, those services appear in GDP.

GDP also includes only a very imperfect estimate of production of goods and services sold on the underground economy (or black market). This activity includes production of illegal goods and services (such as drugs and prostitution). It also includes production of legal goods that goes unreported to avoid taxes. Many estimates suggest that the underground economy in the United States amounts to between 5 and 10 percent of GDP; this figure is even larger in many other countries.

Being pushed as a replacement to Keynesian economics that has dominated the post WW-II. The Stern Report promised that Sustainable Development would not compromise livings standards in the Western World (ref), obviously it will result in a massive decrease in real living standards. At least as they are measured currently.

But if economics can be redefined, away from GDP and into GNH (Gross National Happiness), people can be told that their living standards have not decreased, even that they have increased. The Global Development And Environment Institute at Tufts University is the academic home of this objective.

FIGURE 2.1: Relationship between Income and Happiness at the Individual and the Aggregate level

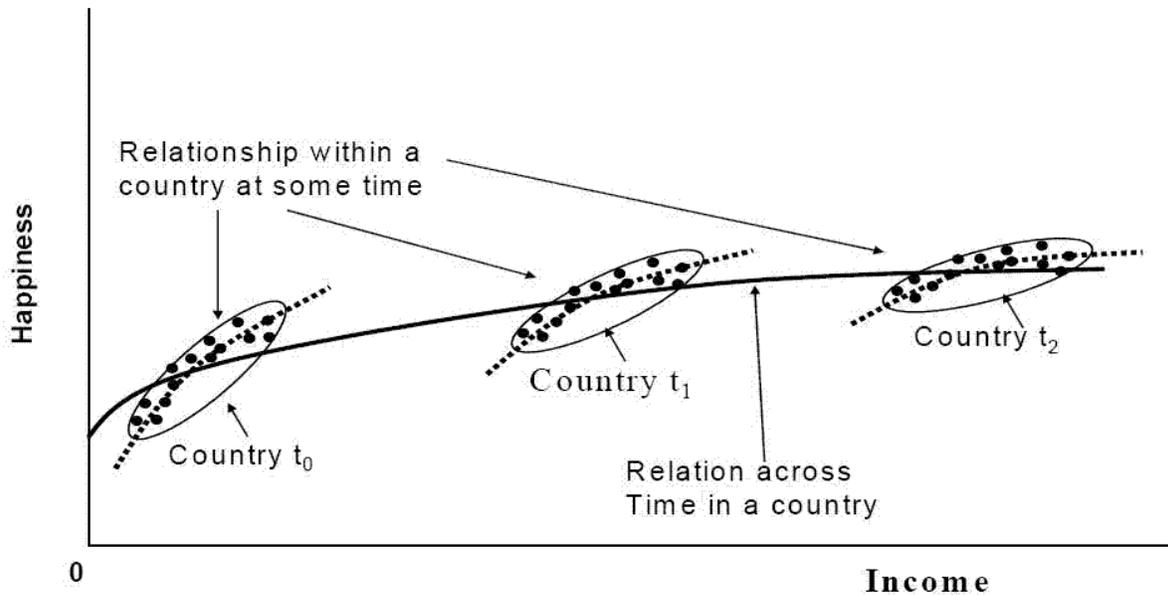


Figure source: Andrew E. Clark, Paul Frijters, Michael A. Shield. 2006. "Income and Happiness: Evidence, Explanation, Economic Implication" p.16

At point the country is poor so gradient between individual happiness and individual income (dotted line) is steep. But as time shifts from to slope is less steep due to the improvement of material wealth of the nation. Same change can be observed in movement from t_0 and here slope is flatter than previous two periods. In all three period relationship between individual income and happiness is visibly steeper than relationship between aggregate income and happiness. As country gets richer aggregate benefit to higher income becomes less and less observable. This illustration sums up that enjoyment of higher income leads to higher consumption and higher status at given time but over the time as everyone's income improves the status gained is fixed

the adaptation to surroundings fix our subjective welfare where we started. It is human nature that we always compare our self with the one next to us.

(Arjunaa Davaadori (2009), Economic of Happiness: Bhutan’s Vision of Development and its Challenges to Europe.)

There is also a gap about what we expect and what actually it is in reality as famous scholar Richard layard has given us a beautiful example of this gap:

DIAGRAM 4.1: Policy-makers Ideal World

Every policy-maker wishes to see the result as shown in the diagram 1

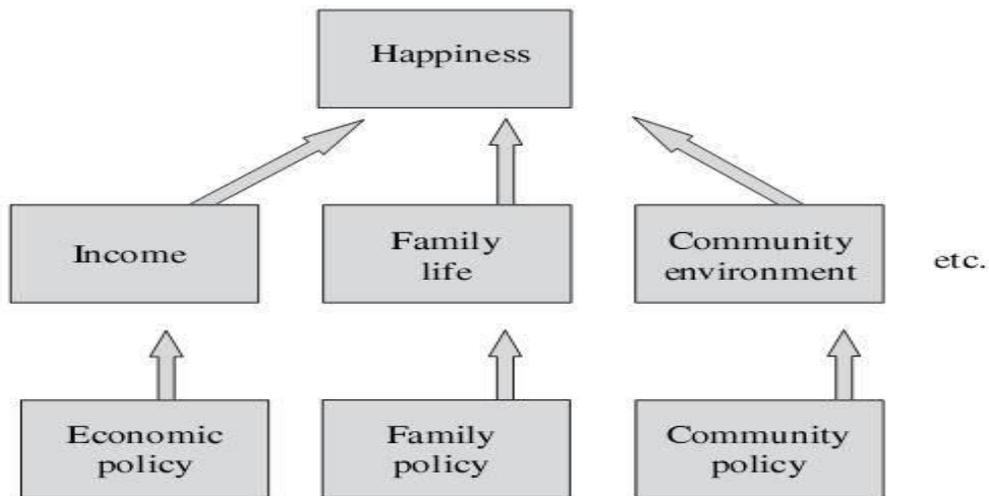
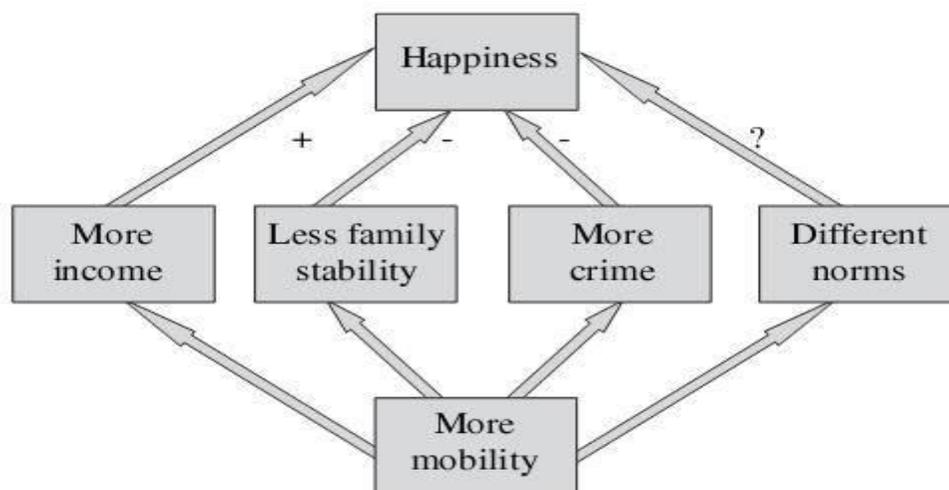


DIAGRAM 2: a reality



Source: Richard Layard (2006): Happiness and Public Policy: A Challenge to the Profession p. c32

3. Empirical findings on income and happiness:

In this paragraph we have findings of the relationship between income and happiness are discussed:

- 1) Happiness is positively correlated with individual income within a given country in the beginning.
- 2) But there is a lack of correlation within individual countries over time, between reported Happiness and real GDP;
- 3) The increase in happiness associated with income within the same country at a point in time appears to get smaller and smaller as income increases;
- 5) These findings are often called the “paradox of happiness” or the “Easterlin paradox”.
(Arjunaa Davaadori (2009), Economic of Happiness: Bhutan’s Vision of Development and its Challenges to Europe.)

7) **No country has adopted the HAPPINESS criteria given by United Nation as a measurement of growth while it's included GDP with other factor of happiness i.e.** Social support (or having someone to count on in times of trouble), The time series of healthy life expectancy, Freedom to make life choices, Generosity, Perceptions of corruption etc.

(Source - worldhappiness.report/wp-content/uploads/sites/2/2015/04/WHR15.pdf)

8) Happiness is U-shaped with respect to age. People reach their unhappiest moment in early forties. Argument is that when a person reaches 40 there are too many things to worry including job, children and even their look and some call it mid life crises. But they begin to get used to them, by their mid-40s and cheer-up. Table also shows that married people are happier than singles, on the other hand divorced are less satisfied with life than singles. It is clear that microeconomic pattern influence the psychological well being levels in different directions in both Germany and Switzerland.

Frey and Stutzer (1999)

Tucker, (2008)

9) As country gets richer aggregate benefit to higher income becomes less and less observable. This sums up that enjoyment of higher income leads to higher consumption and higher status at given time but over the time as everyone's income improves the status gained is fixed the adaptation to surroundings fix our subjective welfare where we started. It is human nature that we always compare our self with the one next to us.

(Arjunaa Davaadori (2009), Economic of Happiness: Bhutan's Vision of Development and its Challenges to Europe.)

4) Research Gap and Problem: Brief Statement or Relevance of the problem:

The topic of the research paper is broadly related to the areas of GDP i.e. Gross Domestic Product and GNH i.e. Gross National Happiness. Here is our special focus on comparison between happiness and National Income.

There are problems with the way we count GDP, says Dr Rajan Reserve Bank Governor Raghuram Rajan said the country needs a better methodology to capture growth measured in terms of gross domestic product (GDP). There is a need for better computation of

numbers to avoid overlaps and capture the net gains to the economy, he said. "There are problems with the way we count GDP which is why we need to be careful sometimes just talking about growth," Dr Rajan said.

(www.ndtv.com/topic/raghuram-rajan/ Story first published on: January 29, 2016 08:54 (IST))

India ranks 111 in the global happiness ranking list for the year 2013 as per the United Nations General Assembly's second annual World Happiness Report. What is strange is that India ranks much after Pakistan (81 rank) and Bangladesh (108 rank). So for all those who feel that you are happy living in India, this news will definitely make you feel unhappy.

The World Happiness Report is a measure of happiness taken on the basis of six important factors that are accountable for a country's well-being as well as happiness of the people. **These factors are (a) GDP per capita, (b) good health and healthy life expectancy, (c) someone in the family to count on, (d) freedom to make choices in life, (e) freedom from corruption, and lastly (g) generosity.**

(Source - worldhappiness.report/wp-content/uploads/sites/2/2015/04/WHR15.pdf)

An important point came in our notice while reviewing literature that **no country has adopted the 'HAPPINESS' criteria given by United Nation as a measurement of growth while it's included GDP with other factor of happiness i.e.** Social support (or having someone to count on in times of trouble), the time series of healthy life expectancy, Freedom to make life choices, Generosity, Perceptions of corruption etc. so i think we can further workout on that point.

Not only is this but there news that can catch our attention that **"Villages don't have water but everyone has a mobile phone"** – Times of India, April 24, page 26. This column is all about that some of remote villages of India is still suffering from water crisis where as everyone has a mobile phones. This is indicating the problem what we are talking about that we have to really think that what we want water or mobile or both. **This is really like 'water Diamond Paradox', given by Prof. Smith.**

Another important point is that what will be the better option for a country to choose growth measurement criteria i.e. GDP and GNH both are substitute or complimentary or we can bear

the opportunity cost for each other. I think that is a big question and we can further go for that research problem.

5. Research Methodology and Tools:

In this research primary and secondary data will be used for the purpose of the study. This research will be descriptive in nature. Primary data will be collected through structured questionnaire, and secondary data will be taken from published material available online or through libraries in the form of books, reports etc. Sample of 200 respondents will be selected through simple random sampling of those who has at least an opinion on GDP and GNH. Selecting the sample, various considerations such as age, income, education, and location may be taken into account. Based on literature, hypotheses were generated regarding the relationships between GDP and GNH. The data will collect through online or personal data collection method and the hypotheses will be tested through various statistical tools- chi-square tests, t-test, F-test etc. Exploratory factor analysis and regression analyses were employed to examine the research questions.

6. Expected Impact on Academics/ Industry:

Impact of method of growth measurement i.e. GDP and GNH analysis is not only on a particular industry but it affect the economy of a country as a whole. Because we only measure the growth through a particular method we always try to improve our growth rate. Irrespective of this that weather that particular growth rate is giving a true picture of a country's overall growth. Here the term overall growth include **Economic Wellness, Physical Wellness, Mental Wellness, Sustainable Development, Poorest and Richest Gap, Equally Distribution of Income etc.** So we have to be focused on some other important factor with GDP so that we can concentrate on overall development of a country or world. **As one of the GNH creators Lyonpo Jigmi Thinley states:**

“We have to think of human well-being in boarder terms. Material well-being is only one component. That does not ensure that you are at peace with your environment and in harmony with each other.”

The following table shows position of countries on the basis of different indicator i.e. Happiness, HDI, GDP Nominal and GDP PPP (Purchasing Power Parity).

Sr. No.	level of Happiness	HDI	GDP NOMINAL	GDP PPP
1	Switzerland	Norway	United States	China
2	Iceland	Australia	China	United States
3	Denmark	Switzerland	Japan	India
4	Norway	Denmark	Germany	Japan
5	Canada	Netherlands	United Kingdom	Germany
6	Finland	Germany	France	Russia
7	Netherland	Ireland	India	Brazil
8	Newzeland	United States	Italy	Indonesia
9	Australia	Canada	Brazil	France
10	Sweden	New Zealand	Canada	United Kingdom
	13 USA		28 Norway	49 Norway
	23 UK		157 Switzerland	39 Switzerland

(Source - worldhappiness.report/wp-content/uploads/sites/2/2015/04/WHR15.pdf)

(Source - statisticstimes.com/economy/countries-by-projected)

(Source- [gdp.php](http://hdr.undp.org/en/content/human-development-index-hdi))hdr.undp.org/en/content/human-development-index-hdi)

As we can see on the above table that where USA is in the good position on the basis of GDP top economic power of the world but move on the second position on the basis of GDP PPP. That is not enough move down on 8th position on the basis of HDI and on the 13th position on the basis of Happiness. That is enough to explain that we only can't rely on any incomplete factor but have to see what may be the batter option for calculating our growth rate which can give us a true picture of a country or a world.

Here I also want to give reference of 'Trickle down Theory' (Bill Rogers), i.e. about that if income of richest people increasing that also beneficial for low income level people also. But the

authors of a new research paper published in IMF Publication not agree with it. It is increasing the gap of richest and poorest. To tackle inequality, financial inclusion is imperative in emerging and developing countries while in advanced economies, policies should focus on raising human capital and skills and making tax systems more progressive.(Era Dabla-Norris ; Kalpana Kochhar ; Nujin Suphaphiphat ; Frantisek Ricka ; Evridiki Tsounta)

So now we have to conduct our research for this scenario so that we can try to bring the actual result to the desired result. Now we can say that impact of this research not only on a particular institution or industry but on the whole humanity and economy of a country as well as it can change our prospective of visualize our growth.

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