

# Measuring psychological wellbeing for gnh vis- a-vis gdp: a few arguments

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The notion of Gross National Happiness (GNH) poses as an alternative to the capitalist measure of Gross National Products (GDP). While GDP calculation follows established method, GNH is challenging to be calculated as it includes fuzzy concepts. There are similarities between GDP and GNH that both by definition are gross and are national. Nevertheless, the indistinct concept of happiness, especially the measurement of psychological makeup cannot be any arithmetic exercise, but an attempt to fathom a non-linear, multidimensional issue. A nation-state, which has territory, government, and population with infinitely diversified personalities with countless faiths, desires and senses of good and bad, and culture are woven by the concept of sovereignty. But for GDP, the monetary values of citizens' income, consumption and savings and consumptions are added up alongside with the governmental expenditure, to express the capitalist development status.

GDP ignores the Mind of the citizens. On the contrary, GNH that tries to gauging the essential components of psychological makeup, i. e., life satisfaction, emotions and spirituality in an ensouled body, is irreverent on the scale used for tangible assets to calculate GDP. GNH and its components need a new balance to get its locus in the market economies. Emotions and spirituality receives less importance in the West contrasting to traditional oriental views. The challenges are argued in this essay.

## **Introduction**

Laissez-faire based capitalism is being critiqued enough to lose its place in almost all economy. Now the most prominent arguments include plausible alternatives which will address the issues of human rights, natural

environment and sustainable development to ensure wellbeing. GDP is a <https://assignbuster.com/measuring-psychological-wellbeing-for-gnh-vis-a-vis-gdp-a-few-arguments/>

measure of capitalist activities. When capitalism is challenged, so is the GDP. These measures also have been proved to be non-universal and hence mislead economists and politicians of one place to understand others' status. Gross National Happiness, as coined by the 4th King of Bhutan represents strongly an Eastern perceptive which is being debated not widely but intensely among curious scholars with the question if GNH can be indexed as another economic index in vogue. Universal mathematic formulae depend on inherent philosophy of the economists. It is relevant to discuss how moral and metaphysical aspects could be ordered by absolute number or sequentially or always impossible to fathom.

THE FALL OF CAPITALISM AND GDP, THE CAPITALIST MEASURE GDP is inherently a capitalist yardstick and “ there is no doubt whatsoever that there is no future of capitalism.... it is no more than 500 years old and it is demonstrating over and over again that it is destroying the world”. This is a comment by a tycoon, the owner of North Face Mr Douglas Thompkins in a 2012 interview. Tompkins was not only an iconic beneficiary of capitalism, he was a celebrity as a conservationist of nature. His comment can be taken as observation of an insider of live capitalism and at the same time a person concerned deeply about the planet where we live. Thompkins quoted Kenneth Bolding in a documentary film ridiculing the proponents of continuous economic growth saying “ anyone who believes that economic growth can go on forever in a finite world, is either a madman or an economist. GDP is understandably a capitalist measure which wrongly assumes that brick & mortar counting of wealth can demonstrate the strength of presence of human race in this planet.

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Fleurbaey and Blanchet refers to John F Kennedy (1917-1963), a most flamboyant American politician influencing the world. Kennedy commented that ' while the obsession with GDP puts the mere accumulation of material things above personal excellence and community values, many of the alternative indicators are only neutral and promote other values such as good feelings or particular freedom'. Kennedy's successor US presidents however have always underscored GDP, unemployment rate, inflation rate and specially the index of the capital market which changes second by second. Quarterly financial reports of the corporations that are erroneously determinant of ever changing indicators for a going-concern businesses. These reports affect the stock market indices instantly, but does not necessarily demonstrate the real production, neither material nor nonmaterial contentment terms.

Economists in the academia as well as IMF fired at GDP more aggressively in the recent years. IMF chief Lagarde, Noble laureate Stiglitz and MIT professor Brynjolfesson unequivocally mentioned in World Economic Forum in Davos in 2016 that " GDP is a poor way of assessing the health of our economies and we urgently need to find a new measure". GDP is the capitalists' measure of achievements. GDP adds up all " economic" activities in number and is compared to the same measure in the preceding year or month or even weeks. Although the problem in calculating and using GDP was pointed out for at least for couple of centuries, GDP, where high, is a matter of pride for the politicians. Although Simon Kuznet, who helped the US government to standardize the measurement of GDP wrote in 1934 that the welfare of a nation can scarcely be inferred from a measure of national income", it is not

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until recently that the enlightened politicians, after reaching a high level of affluence, look at the other factors of well-being. Economists in the academia, while approached by the French President Sarkozy, came forward to adjust the theories of capitalistic measurements encompassing economic performance as well as social progress. The revisit to GDP resulted a report titled *Mismeasuring Our Lives: Why GDP Does Not Add up*. The Commission opined that the progress measurement scale should be extended from Production to Well-Being.

Rather than production, material well-being should focus jointly on income and consumption together. It is also important that focus should not be only on individual's income but that of the households. It has been ascertained in the last three years of debate that GDP method needs revision, if not cancelled totally. The obsession on GDP versus other measures of wellbeing are now stronger than ever before. Traditional GDP is challenged by the concepts of China's Green GDP, OECD's GDP Alternatives, Index of Sustainable Economic Welfare, Genuine Progress Indicator, Happy Planet Indicator, National Well-being Accounts and a few more. Most of these new indicators do not have solid ground, but are discussed well in the western platforms. A fast rising indicator is the concept of Gross National Happiness (GNH) coined by the royalty of Bhutan. GNH is a humble presentation to the economists and saints as a measure of an alternative to GDP. Arguments in this essay is focused on GNH as a possible supplementary or complementary to GDP. Most significant and thought provoking features of GNH are as follows:

Firstly, GNH reflects a very oriental philosophy. Capitalism is formalised explicitly in the so called West that is in the North America, Europe and although not geographically in the western hemisphere, in Australia, New Zealand and also in Japan in some way. Collective population of these economy is no more than 1.5 billion, that is less than 16 percent of today's world population. While western noble laureates and vote-seeking eloquent orators have been applauded for their theories, the Eastern sages preferred to remain in mystic silence. GNH theory is an exception and raised out of the foot of the Himalayas.

Secondly, the GNH proponents segregated happiness in 33 components. Per capita is only one of them challenging very strongly, quashing the significance of GDP.

Thirdly, GNH recognizes human race as a part of Nature. Among other indicators, GNH emphasizes psychological well-being, cultural diversity, time uses for sleep and work, cultural diversity and resilience, governance and ecology.

Fourthly, the GNH, although diktats to scale the notion of well-being, the understood meaning of the terminology differs drastically from the Western theorists. Stiglitz et al recognize that well-being is multidimensional and lists eight dimensions which are to be considered simultaneously, not separately. These dimensions are material living standards, health, education, personal activities, political voice and governance, social relationship, environment and security as economic as well as physical nature. Material living standard measured by income, consumption and wealth tops this Western list of

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dimensions of well-being. But in the East, as Ura et al topped psychological well-being in their list, the gap between the perceptions of well-being is reduced though. Elaborating on the fourth point above, Stiglitz, Sen and Fitoussi possibly were understandably negated emotions. Emotions cannot be measured neither in cardinal nor in ordinal approaches. Emotions cannot be stated in numbers, neither in absolute number nor in relation to others' emotion. But emotions are the first and foremost factor for well-being, to be more exact, happiness of people. Stiglitz et al have lessened the challenge to measure well-being than their quitter counterpart of the East.

### **Gauging the psychological well-being in GNH**

Psychological well-being is a construct of emotions. GNH takes a subjective approach rather than accounting and monetary methodology. Income is one of the thirty three sub-component of happiness, as Ura et al suggested. The broad head Psychological Well-being in the GNH principles includes four subcomponents i. e., life Satisfaction, Positive Emotion, Negative Emotion and Spirituality. Ura et al. were well aware of the Sarkozy Commission and continued to take greater challenge to measure happiness. Ura's inclination to Buddhism vis-à-vis Sarkozy's implicit Secularism stand face to face. The West, excepting in a limited number of cases does not appreciate mysticism. It is fuzzy, non-transferrable and hence not addable to GDP. So satisfaction, emotions, both positive and negative, and spirituality have been left out from the most popular measuring scales. However, Ura et al attempt to indexing the well-being by using Alkire-Foster methodology.

Alkire-Foster method is a product of Oxford Poverty and Human Development Initiative (OPHI), that in general attempts to identify who are the poor. It is primarily designed to count what one does not have, rather than what one has. The method attempts to measure deprivation, such as lack of education or employment or poor health that individuals experience at a same time. Alkire-Foster method is possibly a great method for pointing areas that require assistance in a population. It is a detail enumeration of multidimensional poverty. Sabina Alkire, a co-creator of the index explained her method in most simplified words in a blog: “ We measure multidimensional poverty as the incidence (or the percentage of the population that is poor) times the intensity (or the average percentage of deprivations poor people experience). This construction does not add up achievement levels, which requires strong assumptions concerning the variables in question. Instead, we add up deprivations.

Well-being as a major building block of Happiness is an amalgamation of a number of emotions. GNH concept implicitly assume that a nation collectively has one emotion, as if collective income expressed through GDP. This impossibility of adding up, in contrast to decomposition of population group which is the beauty of Alkire-Foster model, make the formula incomparable to GDP measure. However, the whole attempt to measure wellbeing (Happiness or Unhappiness) may be misleading to psychologists who focus on emotions from the perspective of social sciences in one hand and neuroscience on the other. First, taking a perspective of social sciences, wellbeing, as investigated for Alkire-Foster model, involve self-reported data. When a person thinks of himself, she cannot go out of her mental setting, <https://assignbuster.com/measuring-psychological-wellbeing-for-gnh-vis-a-vis-gdp-a-few-arguments/>



which is an assortment of family values, age, faith, formal education, ability (and disability) to analyze stimuli and many more. The decomposition of population technique of Alkire-Foster is useful, but it does not provide a universally useable scale because of the diversity of the respondents to the surveys. Also, there are some unique feature of Eastern sage that will influence a person to report on her status. Examples from the Hindu mythology and Muslim faith may be presented as examples. Bhagavata Gita mentions Sri Krishna, who was the Avatar to drive the chariot of prince Yudhishtira in a great war, defined a happy man. The Avatar said happy is the man “. . . who cooketh in his house, on the fifth part of the day, with scanty vegetable, but who is not in debt and who stirreth not from home, is truly happy”.

Many Hindus (15% of world population), specially the older generation still recite the verses in the Gita every day and believe that total happiness is a function of the food, shelter and no debt burden. A Alkire-Foster survey among the older Hindus may be misled by the lonely elderly Hindu who will believe that a humble house, vegetarian food and no debt are the three necessary and sufficient conditions of happiness. They will not complain of malnutrition due to lack of protein intake, working hour or mental health condition. Non-violence in Hinduism and Buddhism is as deeply rooted for killing is forbidden of a being (the life of vegetable were not supposed at the time of birth of religions). Balanced food, as scientifically recommended by Western researchers might have lacked by the people in the foot of Himalaya. But never reported. Taking loan for better life, for example borrowing for home, car, travelling etc. are normal in the West. US per capita <https://assignbuster.com/measuring-psychological-wellbeing-for-gnh-vis-a-vis-gdp-a-few-arguments/>

income in the US is as high as 59, 000 dollars, where that in Bangladesh, is USD 1, 093. However, per capital national debt in the US is 62, 000 vis-à-vis 434 USD in Bangladesh. Apart from faith, frustration and contentment also varies every day from case to case. Fishermen will be frustrated for a short period of time when the net is empty. Next throw may be happy fishing.

Achievement  $\geq$  Expectation = Satisfaction (Happy) Achievement  $<$  Expectation = Frustration (Unhappy) This is possibly true for each and every event in daily life. It is risky to ask for one's life satisfaction at any particular point of time for an active person.

Psychology theorists have a widely varied understanding of Emotion. B. F. Skinner, American neo-behaviorist psychologist thought that "emotions are useless and bad for our peace of mind and blood pressure". Skinner's most important experiment and resultant theory, which he called operant conditioning, the means by which human can teach human as well as other animals. He strongly opined that mentalism was irreverent even non-existent and psychology should only focus on concrete measurable behaviors. This attitude of a leading Western psychologist tends to negate the whole importance of well-being measurement, as mentioned in Ura et al., that 11% of happiness components are wellbeing composed of emotion and spirituality.

According to Western perspective, emotion is needed (or can be used) in learning and teaching. Emotion requires stimuli, e. g. , reward and punishment to "condition" human and another animal. However, unlike extremists like Skinner, most psychologist-scientists agree emotions have

beneficial consequences. In particular, we can review emotions, both positive and negative, as solutions to physical or social problems or opportunities that we encounter in our lives that can be beneficial for our survival. Studies focusing on positive emotional responses have used monetary reward tasks, where participants win money based on their performance on a task. A well-known reward task is called the monetary incentive delay task, where on particular reward trials, cued by a particular signal. Simple tasks can also activate brain regions that appear to be conserved for responding and anticipating rewards. While winning money is one way of generating positive emotions, there are other creative methods, for example, giving people chocolate while presenting pictures of chocolate. Again, these simulations of more real life positive emotions can activate the brain's reward systems and enable us to study positive emotions in a more realistic way.

Reward and punishment is much sensitive in the Eastern philosophy. Indifference is rather prescribed for human being. Psychology text book defines emotion as " a complex condition that arise in response to certain affective toned experiences". It does not include spirituality, which is treated to be a subject matter of Theology. There is neurological perspective of emotions. When psychology delves into neurology, in brief, Amygdala, the almond shaped structure of brain registers the emotional reactions. As the right spot is located in the brain processing emotions is located, EEG or fMRI should soon help produce a readable index of happiness. Spirituality will be left for the Mystics for some more centuries to present a measurable components of universal happiness.

## **Conclusion**

Like most qualitative measurement, the wellbeing method require reiteration cross culturally. The proposed index of GNH is yet to be tested widely. The capitalist way of measuring most things as economic product is rooted in the Western Society, where researches in economic sciences provide universal method. Citizen's wellbeing in social reality must be recognized in the West, without which GNH will not take any universally acceptable shape. Cross cultural qualitative data are required and those are not available as of now. GNH is philosophically correct and stand firm as a protest against capitalist folly and injustice. But GNH is yet to be universally explicable in want of a standard mathematical format.