Proposal for a Thesis

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## Tentative Title

I.

I propose to title my thesis "Measuring Happiness: Far Beyond the Macroeconomic Focus of Global Policy."

# II.

## **Research Problem**

Most would agree that finding happiness is the ultimate goal in life. And with this collective goal, one would assume that nations and governments would strive to create situations where their citizens can easily pursue happiness.<sup>1</sup> But what exactly does happiness entail? Although happiness is normally not quantified, I have researched a range of theories, from wellbeing reports to comparable global happiness indices, which operationalize happiness and allow for the comparison of well-being measures within and across nations. A number of wellbeing indices exist, all with the same goal in mind—to arrive at a comprehensive measure of wellbeing for countries across the globe, similar to using Gross Domestic Product (GDP) to measure wealth. These indices offer an all-encompassing measure of wellbeing index measures wellbeing using a number of indicators, some of which are seen in other indices, but many of which are unique to the index itself. The problem is that a standardized index for measuring wellbeing does not exist.

This thesis seeks to answer whether or not it is possible to measure the wellbeing of a country using a standardized global index. If so, what factors influence a country's wellbeing and what indicators should be included in a standardized global index? What indicators can be left

<sup>&</sup>lt;sup>1</sup> Arthur C. Brooks, *Gross National Happiness: Why Happiness Matters for America* and How We Can Get More of It (New York: Basic Books, 2008), 2.

out of the index? Does having more indicators reduce cultural, religious, and societal discrepancies across nations? Or is it more effective and efficient to have a concise index with fewer indicators? Can the six indices analyzed in my research be combined to form one standardized wellbeing index that can be used to measure the wellbeing of every country across the globe?

I hypothesize that it is possible to measure wellbeing with a standardized wellbeing index by utilizing measurements within the following ten core concepts: wealth, employment, community, environment, social, education, governance, health, safety, and basic needs. Further, in order to transcend cultural, religious, and social differences across the globe, it is necessary to include more indicators within each category. For example, within the wealth category, the measurement of GDP alone is not adequate enough to measure the economic wellbeing of a country. GDP is defined as "the monetary value of all goods and services bought and sold in an economy."<sup>2</sup> This means that only things that are legally traded and tracked are included in this measurement, which leaves a black market that is unaccounted for. GDP also accounts for negative aspects of society, such as cigarette advertising. In a speech at the University of Kansas on March 1968, Robert F Kennedy said "too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things...Gross National Product counts air pollution and cigarette advertising [...]."<sup>3</sup> Therefore, GDP alone is not a sufficient indicator of wellbeing. Hypothetically, the standardized index

<sup>&</sup>lt;sup>2</sup> Mark Anielski, *The Economics of Happiness: Building Genuine Wealth* (Gabriola Island: New Society Publishers, 2007), 28.

<sup>&</sup>lt;sup>3</sup> Robert F. Kennedy, "Remarks at the University of Kansas," John F. Kennedy Presidential Library and Museum, Speech, Accessed May 21, 2015, <u>http://www.jfklibrary.org/Research/Research-Aids/Ready-Reference/RFK-Speeches/Remarks-of-Robert-F-Kennedy-at-the-University-of-Kansas-March-18-1968.aspx</u>.

should measure GDP along with other economic measures such as cost of living, disposable income, etc., in order to get the full scope of wealth wellbeing in a country.

The evidence used to test the abovementioned hypothesis will be drawn from primary sources in the form of six happiness indices—United Nations Development Program's (UNDP) Human Development Index, Gallup World Poll, Happy Planet Index, Gallup-Healthways Global Well-Being Index, Organization for Economic Cooperation and Development's (OECD) Better Life Index, and Legatum Institute's Prosperity Index-as well as happiness research and happiness theories from a wide range of scholars of Philosophy, Psychology and Economics. The methodology behind each wellbeing index will be dissected. The focus will be on the data collection methods and the mathematics behind the calculation of each indicator included in the different indices. Appendix A, found at the end of this section, is a summary of the six indices, each broken down into their corresponding indicators, and further organized into the ten categories mentioned above: wealth, employment, community, environment, social, education, governance, health, safety, and basic needs. Further, the work of philosophers such as Socrates, Aristotle and Jeremy Bentham will be used to outline the history of happiness thus far. The work of psychologists such as Daniel Gilbert, Ed Diener, , and John Helliwell as well as the findings of economists such as Amartya Sen, Carol Graham, Bruno Frey, and Alois Stutzer, will be used to evaluate each indicator that contributes to happiness to determine whether or not the indicator should be included in a standardized wellbeing index.

The proposition is not to use happiness measurements as a replacement for GDP and other economic measurements, but as a complement. It is essential for global policy to broaden its measures of well-being, not just by utilizing the narrow scope of economic valuations, but by including the measures of true wealth that are often overlooked. Wellbeing Economist Mark

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Anielski has proposed a new paradigm of Genuine Wealth, where Genuine Wealth is based on what he believes humans find valuable: "love, meaningful relationships, happiness, joy, freedom, sufficiency, justice and peace."<sup>4</sup> Anielski explains, "The ultimate goal is an economy and society dedicated to well-being. Well-being constitutes a more compelling vision than simply more economic growth and more material possessions; well-being is about quality of life."<sup>5</sup> There is an added value that wellbeing measures provide when mapping the quality of life across nations, a value that complements economic measures well. Monetary measures are inadequate in painting the complete picture of well being of a country. For example, it is possible to experience high life satisfaction without being economically stable, and vice versa.

Researching and determining what factors make people happier is crucial because it helps us understand how, through global policy, we can cultivate more happiness—the collective goal of humanity—throughout the world. More and more people today are choosing to seek happiness rather than monetary success. They are choosing to forego the money-driven path for a more intrinsic, spiritual journey that stays truer to who they are and what is truly important. Therefore, global policy needs to reflect this change and push for the inclusion of wellbeing in policy language. Furthermore, creating a standardized index to measure wellbeing will create a standard to which countries and governments will be held accountable, similar to GDP. As Anielski puts it, "what we measure reflects what we value and what matters most; what we use to measure and report progress gets our attention."<sup>6</sup> The release of a happiness index each year will hold policymakers to a standard, a standard that, if not met, will put a spotlight on any country that ranks low in wellbeing.

<sup>&</sup>lt;sup>4</sup> Anielski, *Economics*, 65.

<sup>&</sup>lt;sup>5</sup> Anielski, *Economics*, 65.

<sup>&</sup>lt;sup>6</sup> Anielski, *Economics*, 27.

Happiness Index Name:		OECD Better Life Index	Happy Planet Index	Gallup-Healthways Global Well-Being Index		Gallup World Poll (GWP)	Human Development Index
Concepts:	Indicators:					(4.11)	
WEALTH	Income	x					
	Gross National Income/Capita						X
	Financial Well-Being			x			
	Economy				X		
	Business & Economics					x	
EMPLOYMENT	Jobs	X					
	Entrepreneurship & Opportunity				X		
	Work-life Balance	X					
	Work					x	
COMMUNITY	Community	X					
	Community Well-Being			X			
	Civic Engagement	X					
	Citizen Engagement					X	
ENVIRONMENT	Enivornment	x					
	Environment & Energy					X	
	Ecological Footprint		X				
SOCIAL	Social Well-Being			x			
	Social Capital				X		
	Social Issues					X	
	Religion & Ethics					X	
EDUCATION	Education	X			X		
	Mean Years of Schooling						X
	Expected Years of Schooling						X
	Education & Families					X	
GOVERNANCE	Governance				X		
	Government & Politics					X	
	Law & Order					X	
	Personal Freedom				X		
HEALTH	Well-Being					X	
	Health	X			X	X	
	Life Satisfaction	х					
	Physical Wellness			x			
	Experienced Well-Being		X				
	Life Expectancy		X				X
	Purpose Wellness			X			
SAFETY	Safety	X					
	Safety & Security				X		
BASIC NEEDS	Communications & Technology					X	
	Food & Shelter					X	
	Housing	x					

Appendix A

## III.

## Definition of Terms

*Diminishing Marginal Utility*: "the psychological generalization that the perceived value of, or satisfaction gained from, a good to a consumer declines with each additional unit acquired or consumed."<sup>7</sup> For example, as economic prosperity increases, happiness increases at a slower and slower rate.

*Eudemonia*: literally translates to "good spirit," which describes the feeling that occurs when one lives a virtuous, moral, and meaningful life.<sup>8</sup>

*Prosperity*: the Legatum Institute's Prosperity Index argues "most people would agree that prosperity is more than just the accumulation of material wealth, it is also the joy of everyday life and the prospect of being able to build an even better life in the future."<sup>9</sup>

*Subjective Well-Being:* "an individual's evaluation of the extent to which he or she experiences positive and negative affect, happiness, or satisfaction with life"<sup>10</sup>; measured by most researchers in psychology using assessments consisting of the three following parts: "life satisfaction, the presence of a positive mood, and the absence of a negative mood."<sup>11</sup> In psychology, subjective wellbeing is the most important measure used to evaluate wellbeing.

Utility: "the satisfaction that a person experiences from the consumption of goods."<sup>12</sup>

<sup>&</sup>lt;sup>7</sup> Business Dictionary, "Law of Diminishing Marginal Utility" Accessed May 31, 2015, <u>http://www.businessdictionary.com/definition/law-of-diminishing-marginal-utility.html</u>

<sup>&</sup>lt;sup>8</sup> Daniel Gilbert, *Stumbling on Happiness* (New York: Vintage Books, 2006), 38.

<sup>&</sup>lt;sup>9</sup> Prosperity Index, "The 2014 Legatum Prosperity Index" (2014), Accessed April 1, 2015, <u>http://prosperity.com/#!/about</u>.

<sup>&</sup>lt;sup>10</sup> Bruno S. Frey, *Happiness: A Revolution in Economics* (Cambridge: The MIT Press, 2008), 3.

<sup>&</sup>lt;sup>11</sup> Bruno S. Frey, and Alois Stutzer, *Happiness & Economics: How the Economy and Institutions Affect Human Well-Being* (Princeton: Princeton University Press, 2002), 24.

<sup>&</sup>lt;sup>12</sup> Ed Diener, Richard E. Lucas, Ulrich Schimmack, and John F. Helliwell, *Well-Being for Public Policy* (Oxford: Oxford University Press, 2009), 11.

#### IV.

#### Background

## WHAT IS HAPPINESS?

Throughout history, the definition of happiness has taken many forms. For two thousand years, philosophers defined happiness in terms of virtue. Ancient Greek philosophers had a term-eudemonia-that literally translated to "good spirit," which described the feeling that occurred when one lived a virtuous, moral, and meaningful life.<sup>13</sup> According to the "Professor of Happiness" himself, Dan Gilbert, "for Socrates, Plato, Aristotle, Cicero, and even Epicurus (a name usually associated with piggish happiness), the only thing that could induce that kind of happiness was the virtuous performance of one's duties."<sup>14</sup> This definition evolved throughout time, with many psychologists providing their own modified definition of happiness. It is important to note that the terms 'happiness', 'well-being', and 'life satisfaction' are used interchangeably within happiness research literature. Psychologists and philosophers have done us the favor of breaking happiness down into three forms. The first form is described as "fleeting feelings of happiness" which includes feelings such as joy and euphoria.<sup>15</sup> The next kind of happiness is described as "happiness on balance," or "the assessment of the good and bad in our lives, the emotional balance sheet we keep that allows us to tell honestly whether we are living, all things considered, a happy life."<sup>16</sup> The last form of happiness is "moral quality of life," which is described as a "well-lived life."<sup>17</sup>

<sup>&</sup>lt;sup>13</sup> Gilbert, *Stumbling*, 38.

<sup>&</sup>lt;sup>14</sup> Gilbert, *Stumbling*, 39.

<sup>&</sup>lt;sup>15</sup> Brooks, *Gross*, 4.

<sup>&</sup>lt;sup>16</sup> Brooks, Gross, 4-5.

<sup>&</sup>lt;sup>17</sup> Brooks, *Gross*, 5.

The main objection to the use of happiness research in global policy and economic theory is the fact that each human on this earth defines happiness differently. How can there be a standardized way to measure happiness if the definition is not agreed upon? It is important to not get lost in the sea of definitions of happiness and wellbeing. Scholars point out that the definition of happiness is not what is important; it is whether or not each individual identifies himself or herself as being happy. The importance of the definition of happiness is not relevant when utilizing a standardized wellbeing index. As Frey and Stutzer say, "instead of trying to determine what happiness is from outside, one can ask the individuals how happy they feel themselves to be."<sup>18</sup> Each individual is thought to be the best judge of his or her own happiness. The majority of happiness research is conducted through questionnaires that ask the individual if he or she perceives him or herself to be happy. This is defined in psychology as "reported subjective wellbeing," or "an individual's evaluation of the extent to which he or she experiences positive and negative affect, happiness, or satisfaction with life."<sup>19</sup>

In addition to the unresolved debate about the definition of happiness, psychologists and philosophers have worked tirelessly to quantify and measure happiness throughout the years. Somewhere along the way, economic measures, and only economic measures, became the accepted indicator to inform policymakers and governments on how well they were doing in creating a well-off society. Within economics, wellbeing is usually referred to as utility, which is defined as "the satisfaction that a person experiences from the consumption of goods."<sup>20</sup> In the 1930s, traditional economics viewed happiness as something that could not be measured. However, utility was something that was objectively observable, therefore measureable. It is

<sup>&</sup>lt;sup>18</sup> Frey, *Happiness & Economics*, 4.

<sup>&</sup>lt;sup>19</sup> Frey, *Happiness: A Revolution*, 3.

<sup>&</sup>lt;sup>20</sup> Diener, Well-Being, 11.

only recently that economists have begun to weight in again on the subject of happiness and how it can and should be measured. Psychologists have played a large role in convincing economists that subjective measures of wellbeing are also significant in economic theory and the measurement of happiness.

## HISTORY OF HAPPINESS IN GOVERNMENT POLICY

Happiness is considered to be the ultimate goal in life; it is a goal that transcends geographic location, religion, cultural norms, and age. The pursuit of happiness is central to human life. In the United States, the 1776 Declaration of Independence promised the right to the pursuit of Happiness, along with the rights to Life and Liberty, to each and every one of its citizens, no matter his or her gender, age, or religion; the rights to Life, Liberty and the pursuit of Happiness were held as equal rights for all citizens. At the time, the idea that a government would promise its citizens the right to pursue happiness was a radical idea. In fact, no other government declared this right to its citizens until the Kingdom of Bhutan's government did, 194 years later.<sup>21</sup> Bhutan introduced the concept of Gross National Happiness into its own government for the wellbeing of its citizens. Bhutan's government is the only other government in the world, aside from the government of the United States to say that all of its citizens had an equal right to pursue happiness.<sup>22</sup>

Bhutan's Fourth King, Jigme Singye Wangchuck coined the term "Gross National Happiness" in the 1970s and the concept has thus been flushed out into an index used by the Kingdom of Bhutan to ensure a holistic approach to sustainable development within the country.<sup>23</sup> It focuses on the balance between progress and non-economic aspects of wellbeing.

<sup>&</sup>lt;sup>21</sup> Brooks, Gross, 2.

<sup>&</sup>lt;sup>22</sup> Brooks, *Gross*, 2.

<sup>&</sup>lt;sup>23</sup> Centre for Bhutan Studies & GNH Research, "GNH Index" Accessed May 14, 2015, <u>http://www.grossnationalhappiness.com/articles/</u>.

The Gross National Happiness Index consists of four pillars—(1) good governance, (2) sustainable socio-economic development, (3) cultural preservation, and (4) environmental conservation—which are further categorized into nine domains—(1) psychological wellbeing, (2) health, (3) education, (4) time use, (5) cultural diversity and resilience, (6) good governance, (7) community vitality, (8) ecological diversity and resilience, and (9) living standards.<sup>24</sup> The index is a single number comprised of thirty-three indicators that fall into the nine domains.

Throughout history, the inclusion of wellbeing in global policy has come and gone. Most recently, happiness catapulted into the forefront of global policy discussion when the United Nations held its first ever conference on happiness at the UN Headquarters in New York in 2012. The Kingdom of Bhutan hosted the conference; at this conference, representatives and leaders from all over the world gathered to discuss the importance of pushing the definition of human progress away from the widely accepted wealth-based definition and into a more all-inclusive wellbeing measurement.

One of the most important objectives of happiness research is to determine the factors that contribute to wellbeing, and to what extent. Happiness research aims to "determine quantitatively the relative importance of genetic, personality, socio-demographic, economic, cultural, and political factors."<sup>25</sup> According to Frey and Stutzer, is it useful to separate the determinants of happiness into five categories: (1) personality factors, (2) socio-demographic factors, (3) economic factors, (4) contextual and situational factors, and (5) institutional factors.<sup>26</sup> The inclusion of happiness research into global policy and economic theory has involved the

<sup>&</sup>lt;sup>24</sup> Centre, "GNH."

<sup>&</sup>lt;sup>25</sup> Frey, *Happiness: A Revolution*, 3.

<sup>&</sup>lt;sup>26</sup> Frey, *Happiness & Economics*, 10.

merging of two very different disciplines—psychology and economics. Economist Bruno Frey goes as far as calling this new happiness movement a revolution in economics.

## WELL-BEING INDICATORS

It is undisputed that economic prosperity plays a key role in the overall wellbeing of individuals and countries. With higher income, come more opportunities to attain desired goods, services, and experiences. Also, people with good economic wellbeing have a higher status in society. In general, the citizens of rich countries are happier than the people living in poor countries.<sup>27</sup> According to Frey, the relationship between happiness and income, when evaluated using both simple regressions and multiple regressions, is statistically significant, which means money does buy happiness to a certain extent.<sup>28</sup>

However, there is more depth to wellbeing than just the accumulation of material goods and monetary assets. Studies suggest a relationship between income and happiness that is not linear; as income increases, happiness increases at a slower and slower rate. Once a certain threshold is reached and basic human needs are met, "additional income does not increase happiness ad infinitum."<sup>29</sup> The relationship between income and happiness is not linear but rather one that offers diminishing marginal returns.<sup>30</sup> At low levels of development, income provides happiness, but "once a threshold of approximately \$10,000 is reached the average income level in a country has little effect on average subjective well-being."<sup>31</sup> For example, despite massive economic prosperity in the West, people are reportedly no happier.<sup>32</sup> This is called the Easterlin Paradox, a phenomenon where higher economic wellbeing is positively associated with

<sup>&</sup>lt;sup>27</sup> Frey, *Happiness & Economics*, 9.

<sup>&</sup>lt;sup>28</sup> Frey, Happiness: A Revolution, 27.

<sup>&</sup>lt;sup>29</sup> Frey, *Happiness: A Revolution*, 29.

<sup>&</sup>lt;sup>30</sup> Frey, *Happiness: A Revolution*, 29.

<sup>&</sup>lt;sup>31</sup> Frey, *Happiness: A Revolution*, 42.

<sup>&</sup>lt;sup>32</sup> Frey, *Economics and Psychology*, 155.

happiness.<sup>33</sup> However when observing the relationship, happiness changes very little over time. The three main reasons for this phenomenon are: 1) "a person's happiness is negatively affected by the incomes of others (a negative externality)," 2) "a person's happiness adapts quite rapidly to higher levels of income (a phenomenon of addiction," and 3) "our tastes are not given—the happiness we get from what we have is largely culturally determined."<sup>34</sup>

The debate lies in what additional factors influence wellbeing and to what extent. What additional indicators should be incorporated into a happiness index? Each of the six indices included in this analysis—UNDP's Human Development Index, Gallup World Poll, Happy Planet Index, Gallup-Healthways Global Well-Being Index, OECD Better Life Index, and Legatum Institute's Prosperity Index—measure wellbeing using a combination of different indicators. This analysis aims to determine which factors within the six indices influence wellbeing and, thus, which factors should be included in a standardized wellbeing index.

#### THE SIX WELL-BEING INDICES

The first wellbeing index that will be analyzed is the United Nations Development Program's Human Development Index. The United Nations Development Program has released the Human Development Index yearly since 1990, and includes data from over 187 countries.<sup>35</sup> HDI was created to "emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone."<sup>36</sup> HDI is a multipart index that measures three basic aspects of human development – (1) education, (2) standard of living, and (3) the ability to have a long and decent life. HDI is comprised of four measurements:

<sup>&</sup>lt;sup>33</sup> Frey, *Happiness: A Revolution*, 11.

<sup>&</sup>lt;sup>34</sup> Frey, Economics and Psychology, 155.

<sup>&</sup>lt;sup>35</sup> Human Development Reports, "Table 1: Human Development Index and Its Components" Accessed April 1, 2011, <u>http://hdr.undp.org/en/content/table-1-human-development-index-and-its-components</u>.

<sup>&</sup>lt;sup>36</sup> Human, "Table 1."

(1) life expectancy at birth, (2) mean years of schooling (3) expected years of schooling, and (4) gross national income (GNI).<sup>37</sup>

The second wellbeing index that will be analyzed is the Gallup World Poll. Gallup World Poll was established in 2005 and has been conducted semiannually, annually, or biennial determined on a country-by-country basis.<sup>38</sup> The GWP has conducted studies in 160 countries and across areas that include 99% of the world's adult population.<sup>39</sup> The poll consists of thirteen different indicators of wellbeing including the following: (1) Business and Economics, (2) Citizen Engagement, (3) Communications and Technology, (4) Education and Families, (5) Environment and Energy, (6) Food and Shelter, (7) Government and Politics, (8) Health, (9) Law and Order, (10) Religion and Ethics, (11) Social Issues, (12) Well-Being, and (13) Work.<sup>40</sup> These thirteen categories are broken down into ninety-five subcategories by which each category is measured.

The third wellbeing index that will be analyzed is the Happy Planet Index. Happy Planet Index is the simplest of the indices, utilizing only three categories to measure wellbeing. The Happy Planet Index, first published in 2006, now ranks 151 countries in terms of happiness across the globe.<sup>41</sup> This index measures (1) experienced well-being, (2) the country's ecological footprint, and (3) life expectancy. According to the Happy Planet Index, "if you want to know how well someone's life is going, your best bet is to ask them directly."<sup>42</sup> Experienced well-

<sup>&</sup>lt;sup>37</sup> Human, "Table 1."

<sup>&</sup>lt;sup>38</sup> Gallup, "How Does the Gallup World Poll Work?" Accessed March 22, 2015, <u>http://gallup.com/178667/gallup-world-poll-work.aspx</u>.

<sup>&</sup>lt;sup>39</sup> Gallup, "How."

<sup>&</sup>lt;sup>40</sup> Gallup, "World Poll Items," Gallup Analytics, 1-2, Accessed March 22, 2015, <u>http://www.gallup.com/products/170987/gallup-analytics.aspx</u>.

<sup>&</sup>lt;sup>41</sup> Happy Planet Index, "About the HPI" Accessed March 16, 2015, <u>http://happyplanetindex.org/</u>.

<sup>&</sup>lt;sup>42</sup> Happy, "About."

being is calculated using the "Ladder of Life" question from the Gallup World Poll, which asks respondents to "imagine a ladder, where 0 represents the world possible life and 10 the best possible life, and report the step of the ladder they feel they currently stand on".<sup>43</sup> The second indicator, called Ecological Footprint, "is a per capita measure of the amount of land required to sustain a country's consumption patterns, measured in terms of global hectares (g ha) which represent a hectare of land with average productive biocapacity."<sup>44</sup> The third and last measure used in the HPI is life expectancy, which is a "universally important measure of health" which uses data from the UNDP Human Development Report.<sup>45</sup>

The fourth wellbeing index that will be analyzed is the Gallup-Healthways Global Well-Being Index. Gallup and Healthways have partnered to collect well-being research from around the globe using data collected from the Gallup World Poll. The Gallup-Healthways Global Well-Being Index was added to the Gallup World Poll in 2013 and is conducted in 135 countries and areas across the world.<sup>46</sup> Global Well-Being Index is comprised of five indicators—(1) purpose well-being, (2) social well-being, (3) financial well-being, (4) community well-being, and (5) physical well-being, which are evaluated using a ten-question survey.<sup>47</sup>

The fifth wellbeing index that will be analyzed is the OECD Better Life Index. The OECD Better Life Index was launched in 2011 and is updated annually. The data is based on

<sup>&</sup>lt;sup>43</sup> Happy, "About."

<sup>&</sup>lt;sup>44</sup> Happy, "About."

<sup>&</sup>lt;sup>45</sup> Happy, "About."

<sup>&</sup>lt;sup>46</sup> Gallup-Healthways Well-Being Index, "State of Global Well-Being: Results of the Gallup-Healthways Global Well-Being Index" (2014), 1-118, Accessed March 22, 2015, <u>http://info.healthways.com/hs-fs/hub/162029/file-1634508606-pdf/WBI2013/Gallup-Healthways State of Global Well-Being vFINAL.pdf?utm campaign=Well-Being Index&utm source=hs\_automation&utm\_medium=email&utm\_content=16010796& hsenc=p2 ANqtz-9CcUtMjBxiY12Ti6n3http://info.healthways.com/hs-fs/hub/162029/file-1634508606-pdf/WBI2013/Gallup-Healthways.</u>

<sup>&</sup>lt;sup>47</sup> Gallup-Healthways, "State."

responses from over 80,000 individuals responding from over 180 different countries, with a concentration on the thirty-four OECD member countries, the Russian Federation, and Brazil.<sup>48</sup> The Better Life Index includes measurements that fall into the following eleven categories: (1) Income, (2) Housing, (3) Jobs, (4) Community, (5) Education, (6) Environment, (7) Civic Engagement, (8) Health, (9) Life Satisfaction, (10) Safety, and (11) Work-life Balance.<sup>49</sup> Within these categories, there are a total of twenty-four indicators used to measure different aspects of wellbeing.

The sixth and final wellbeing index that will be analyzed is Legatum Institute's Prosperity Index. The first Prosperity Index data were released in 2012, spanning 142 counties. Prosperity Index is an index that is comprised of eight sub-indices that include a total of eightynine indicators.<sup>50</sup> The eight sub-indices are (1) Economy, (2) Entrepreneurship and Opportunity, (3) Governance, (4) Education, (5) Health, (6) Safety and Security, (7) Personal Freedom, and (8) Social Capital.<sup>51</sup> Each category is separated into indicators that affect income and indicators that affect wellbeing, with a few affecting both income and wellbeing.

#### V.

#### **Research Methods**

My research and analysis will be conducted in several stages. The first phase will be to cross-analyze the happiness indices currently used to measure wellbeing across the globe. A comparison will be conducted in order to determine which indices overlap and which wellbeing

<sup>&</sup>lt;sup>48</sup> OECD Better Life Index, "Create Your Better Life Index" Accessed March 16, 2015, <u>http://oecd.betterlifeindex.org/</u>.

<sup>&</sup>lt;sup>49</sup> OECD, "Create."

<sup>&</sup>lt;sup>50</sup> Prosperity Index, "The 2014 Legatum Prosperity Index About" (2014), Accessed April 1, 2015, <u>http://prosperity.com/#!/about</u>.

<sup>&</sup>lt;sup>51</sup> Prosperity Index, "The 2014 Legatum Prosperity Index Methodology" (2014), Accessed April 1, 2015. <u>http://prosperity.com/#!/methodology</u>.

indicators are used by each index. Next, research of secondary sources will involve the analysis of happiness theories as they relate to the proposed topic. The supplemental theoretical knowledge and empirical happiness research will be used to address each indicator included in the happiness indices and determine whether it is a necessary factor for wellbeing or not, and thus, if it is necessary to include in a standardized happiness index.

I have narrowed down my analysis to six happiness indices including the following: The OECD Better Life Index, the Happy Planet Index, the Gallup-Healthways Global Well-Being Index, the Legatum Institute's Prosperity Index, the Gallup World Poll, and the Human Development Index. In order for the index to be included it must be a global index that includes data from over 100 countries. Because this analysis seeks to transcend geographic and cultural phenomena, the indices must include data from over 100 countries in order to completely paint the picture of wellbeing. Also, the index must have been conducted for at least two years thus far. The data used in this analysis seeks to determine what affect certain events or situations have on wellbeing over time, therefore there must be data from multiple years that measure wellbeing before and after these situations have occurred. For example, did wellbeing increase or decrease when a country's GDP went up over the course of the year? There are a number of proposed indices that have not been included in the analysis because they are neither global nor have been conducted for multiple years, such as the Australian Unity Wellbeing Index.

There are many commonalities among these six indices. I have broken down the numerous wellbeing indicators into ten core concepts, as shown in Diagram A below. The breaking up of the indicators into ten categories allows for a ten-part analysis of the indicators in an organized way, rather than a large grouping of random indicators that cover very different aspects of everyday life. The first and most obvious is Wealth. Wealth describes any form of

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monetary or economic measures that calculate figures such as GDP or income per capita. All but one of the indices includes a measure of wealth as part of the measurement of wellbeing. The Happy Planet Index does not include a measurement of the economic condition of a country as something that influences the wellbeing of the people of a country. All of the indices include a measure of health as part of the overall wellbeing measurement of a country. Three of the indices include a measurement of employment opportunities, community engagement, environment wellbeing, social engagement, and education.

There are also some unique indicators found only in one or two of the indices. For example, the OECD Better Life Index and the Prosperity Index include an indicator measuring safety. Further, the Prosperity Index and Gallup World Poll include an indicator dealing with governance. The discrepancies among the indices will be analyzed and a determination will be made about which factors affect happiness in a significant way, enough to be included in the overall measurement within a standardized index.

The focus of the next stage will be to determine the methods of data collection for each index and the mathematics behind the calculation of each indicator. For example, the UNDP's Human Development Index measures life expectancy at birth by measuring the "number of years a newborn infant could expect to live if prevailing patterns of age-specific mortality rates at the time of birth stay the same throughout the infant's life."<sup>52</sup> HDI also includes numbers for the mean years of schooling, expected years of schooling, and Gross National Income (GNI) per capita. The analysis will discuss why only these factors have been included in order to evaluate wellbeing.

<sup>&</sup>lt;sup>52</sup> Human, "Table 1."

#### Diagram A:

## Wealth

- •1: Income
- 3: Financial Well-Being
- •4: Economy
- 5: Business & Economics
- •6: Gross National Income per Capita

# Employment

- •1: Jobs
- •1: Work-life Balance
- •4: Entrepreneurship & Opportunity

## Community

- •1: Community
- •1: Civic Engagement
- 3: Community Well-Being
- •5: Citizen Engagement

# Environment

- •1: Environment
- •2: Ecological Footprint
- 5: Environment & Engergy

# Social

- •3: Social Well-Being
- •4: Social Capital
- •5: Religion & Ethics
- 5: Social Issues

# Education

- 1: Education
- •5: Education & Families
- •6: Mean Years of Schooling
- •6: Expected Years of Schooling

## Governance

- 4: Governance
- •4: Personal Freedom
- 5: Government & Politics
- •5: Law & Order

# Safety

•1: Safety •4: Safety & Security

# Health

- 1, 4, 5: Health
- 1: Life Satisfaction
- 2, 6: Life Expectancy
- 2: Experienced Well-Being • 3: Physical Well-Being
- 3: Purpose Well-Being
- 5: Well-Being

## **Basic Needs**

- •1: Housing
- •5: Communications & Technology
- •5: Food & Shelter

## KEY

1: OECD BETTER LIFE INDEX
2: HAPPY PLANET INDEX
3: GALLUP-HEALTHWAYS GLOBAL WELL-BEING INDEX
4: PROSPERITY INDEX
5: GALLUP WORLD POLL
6: HUMAN DEVELOPMENT INDEX

The thesis will be organized into the ten core concepts: wealth, employment, community, environment, social, education, governance, health, safety, and basic needs. Each concept will be flushed out into a chapter that will contain 1) the indicators from the happiness indices, 2) the way in which each indicator was calculated, 3) how the data was obtained, and 4) using happiness theories and economic findings, if and how much the indicator affects wellbeing. Once all ten concepts have been analyzed utilizing the six indices and corresponding theoretical work, there will be an evaluation of which indicators should be included in a standardized wellbeing index.

#### VI.

## **Research Limitations**

Although happiness research and global wellbeing indices are a relatively new focus of discussion in the global arena, there is a wide array of information and analysis available on the subject. I purposely limit my research to only include wellbeing indices that are 1) global, including at least 100 counties, and 2) include data spanning at least two years, allowing for a worldwide comparison of wellbeing over time. I will assume that the data available within the six global wellbeing indices are paralleled by the information found in the non-global indices; therefore it is unnecessary to include the non-global indices in my analysis.

A major limitation in my research within this new field is the fact that the data may be biased due to the lack of information from certain areas of the world. For example, it is much more difficult to collect data from respondents living in rural areas, poor areas, and undereducated areas because access and resources are limited. There is an assumption that the available data, even if it does not completely account for every type of human on this planet, is sufficient in drawing general conclusions about human wellbeing across the globe.

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# VII.

# Tentative Schedule

Submission of thesis proposal draft	May 26, 2015		
Proposal returned by research advisor	May 27, 2015		
Final draft of thesis proposal submitted	June 25, 2015		
Proposal accepted by advisor (with minor revisions)	July 6, 2015		
Thesis Proposal returned with corrections	July 13, 2015		
Thesis director assigned	July 27, 2015		
Registration for thesis completed	August 10, 2015		
First draft completed	August 31, 2015		
Thesis director returns corrected first draft	September 14, 2015		
Second draft completed	October 14, 2015		
Thesis director returns corrected second draft	October 28, 2015		
Third draft completed	November 25, 2015		
Thesis director returns corrected third draft	December 9, 2015		
Fourth draft completed	January 8, 2016		
Thesis director returns corrected fourth draft	January 22, 2016		
Fifth draft completed and submitted for thesis director approval	March 4, 2016		
Draft returned from thesis director	March 18, 2016		
Final text submitted to thesis director and research advisor	March 25, 2016		
Bound copy approved	April 30, 2016		
Graduation	May 2016		

#### VIII.

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