GDP vs. GNH. A NEW PARADIGM.

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Human being should be seen as the most important asset of economic life, and its well-being should be considered as an important indicator in having a realistic account regarding the level of prosperity and evolution of a nation. Although the concept of GNH (Gross National Happiness) has been introduced by economists like Richard Layard, and we have the example of Kingdom of Buthan where happiness is the only measurement means for quantifying the well-being of the population, governments and even economy tend to completely ignore such a parameter.

We are more involved in an increasing consumeristic society, in wars, fighting for supremacy, gaining more territories, producing and spreading disease and medicines and we are less and less preoccupied by the inner being, by the human beings around us, by our fellow creatures.

This paper is an attempt to prove that GNH (Gross National Happiness) should be the means of measuring the prosperity of a nation, and replace at least partially GDP (Gross Domestic Product).

Cuvinte cheie: well-being, GDP, Gross National Happiness society, moral values.

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1. Introducerea și contextul studiului

There are things in life that are not very easy to put a price on. A smile, a laugh, the eyes of a baby, a hug, a firm shake of a hand, a beautiful encouragement word, the feeling of being able to fly. You cannot put a price on the feeling of safety, of quietness, of completeness. All these things help growing our inner state of being well and they are considered to be the ones triggering the state of happiness.

A lot of definitions were given to the word happiness.

2. Towards a definition of happiness as opposed to GDP

The question economists as well as other research domains’ professionals have begun asking recently is whether Gross Domestic Product really reflects the well being of a nation.

2.1 Different areas of expertise, different happiness definitions

Philosophers, psychologists, economists, have tried to put a finger on it and define it.

The philosophers and religious thinkers define happiness more as living a good and flourishing life, than as being merely an emotion. Socratic happiness means living according to ethics and not necessarily an emotion.

Psychologists define happiness as a special state of fulfilling of something accomplished and that provoked a long expected or unexpected or tensioned success.

Happiness manifests itself as an euphoric state filled with intense feelings that not only that provokes a sort of strong recovery feeling, but also a feeling of bursting energy, a state of receptivity and tolerance, a growth in wishing for others to be happy.
Martin Seligman, an important researcher in positive psychology states in his book “Authentic Happiness”, 2007, that happiness is made up of three elements: pleasure, absorption, and significance. Pleasure refers to the positive feelings we have, absorption to the ability of interacting to the ones around us according to our own wishes, and significance is the power to give your actions, to work for example, the highest meaning.

Ed Diener, psychologist, states in his book “Happiness: Unlocking the Mysteries of Psychological Wealth”, 2011, that happiness is a combination between the joy of a concrete accomplishment and a state of personal well-being over a long period of time. More exactly, happiness is a “subjective wellbeing” (Diener, 2011, pg. 234), a combination between the satisfaction of our own life and the ability of experiencing more positive emotions than negative ones.

Sonja Lyubomirsky, after the experience of many studies, has concluded that happiness depends 50% of our genes, 10% of life circumstances and 40% of our own actions.

Doctors say that there even exists an organ in our body, that is rarely referred to, and that is considered a point of happiness. They are talking about a gland located within the chest, namely thymus.

This gland is located towards the superior part of the thoracic cavity. Stimulated with the hands, this gland may share good, positive emotions all over the body, helping the body and mind during moments of stress and anxiety.

General practitioners due to studies done by neurologists have started recently to make a connection between disease and a high level of negativity and stress, which are opposite to happiness. Professor Phd. Dr. Dumitru Constantin Dulcan states in “Inteligenta Materiei”, 2009, pg. 294-317, when talking about mechanisms that trigger disease in the human organism, that stress is the main factor. Stress is defined as the organism’s reaction to a trauma that may be physical, psychical or emotional. A high level of stress has a negative effect on three important structural elements: the neuron, the DNA, meaning the genetic substrate of the organism and the immunity system. As an action of stress over the neuron, it blocks neurogenesis, the formation of new neurons or the formation of new connections. Our century is characterized by an increased morbidity due to Alzheimer, to losing the intellectual capacity. Regarding the DNA, stress influences the telomeres, the proteins situated at the extremities of the neurons and that have a protection role. Stress shortens them and thus reduces longevity, the duration of life. Specialists in genetics have made studies on telomeres that have proven that a mother having a child suffering from a chronic disease is 10 years older than her ID age.

There are studies that conclude that putting organism under stress has this ageing effect on people while getting the organism out of stress and a certain alimentation may redo these telomeres. Stress loosens the immunity of an organism making disease’s installation very easy. In the same time a feeling of fury, of anxiety, of stress for 5 minutes blocks the immunity system for 5-6 hours. The immunity system is made up of that system of cells and organs that produce lymphocytes, which are responsible by travelling around our organism all the time for defending us from viruses and bacteria. The cells that die must be removed from the organism and killer lymphatic cells play this role.

The dead cells, if not removed, may fix on different spots in the organism and create disease, including cancer. Killer cells are very useful in the organism, but stress disturbs their efficiency.

Thus we may conclude that for a neurologist happiness means positive energy and lack of stress.

Eugenia Voda, the famous Romanian TV redactor, has travelled for a year around the world asking common people from different meridians, countries, religions, having different colours, educational levels and occupations what happiness means for them.
The result was exposed during “Profesionistii”, show presented at the Romanian television on the 19th of April 2014, when special guest was Father Petre MOGA, a Romanian Orthodox Priest.

For simple people happiness has different connotations.
The answers were very different but in the same time so alike.
For Nick Bates, the commander of Queen Mary 2 Ship, happiness is being surrounded by good and friendly people. Happy people make other people happy.
For people in Portugal, Lisbon, happiness means small things life offers, to see a tree that blossoms, to see a baby with a beautiful smile, to see a small animal that wants to be petted.
For people in Italy, happiness means talking to someone.
For people in Egypt happiness means new nice clothes, happiness for him/herself and his/her children, and of course money. And it also means travelling around the world.
For people in Oman happiness means to meet people and make them happy, means not to worry for anything, not even for you, to laugh and to joke at anything, every day.
For people in Arab Unite Emirates happiness means to be tolerant with the others, it means hope and aspiration.
For people in India, happiness means to be happy with what you have, to be satisfied with what you can do without wishing the impossible.
They say that the Indian secret is to be yourself, meditate, be patient, and life will pay you back.
In Vietnam happiness is seen as being together with the others, praying together, drinking beer together.
In Hong Kong happiness means to work and travel.
In Japan happiness is seen as a mirror, when you are good to someone that goodness will come back to you. If you are happy in life, life will treat you good.
People in Guam consider that their freedom is their happiness.
People in Papua New Guinee are happy because God loves them. People in Australia consider that happiness means living doing what they like.
New Zealanders are happy because they live in a beautiful country and meet beautiful people. In Mauritius people are happy for not harming the others.
In South Africa happiness means not fighting with the ones around you, feeling good at home but also in community.
Happiness means joy, food, clothes, a home, peace, justice, progress, giving and receiving love, means fulfilment of Maslow’s pyramid of needs.
Desmond Mpilo Tutu, laureate of the Nobel Prize for Peace states regarding happiness: “When you wish to share happiness to others, let your light lighten ahead people praising the Holy Father” (Profesionistii, 2014, min. 34)
Father Petre Moga considers that as many people, as many types of happiness. Happiness is something very personal and it depends on how much soul greets reality, because reality is the same for everybody.
Looking at all the above mentioned personal description of happiness, we may conclude that happiness is a concept that gains value only in a personal vision, assumed by each individual in accordance with his own expectations and wishes.
In economy happiness has almost the same connotations. According to Layard (2007) the 7 factors that influence our happiness are in order of their importance: family relationships, financial situation, work, community and friends, health, personal freedom, personal values.
The Royome of Bhutan is one of the most misterious places on Earth. It is situated between India and China, and it is a small country.
Bhutan Government considered it absurd to rely for the population welfare assessment on irrelevant indicators as GDP (gross domestic product). So they invented another indicator - Gross National Happiness (The National Indicator of Happiness). GNH as a concept has appeared in 1972 and has been invented by the 4th Bhutan King, King Dragon, Jigme Singye Wangchuck, the younger king in the world.

In fact this represents an engagement to build an economy serving the country’s culture, basing itself on Buddhist spiritual values, instead of material development, using GNH. The Gross National Income of the country is measured in happiness and not money.

Art. 9 from Bhutan Constitution states that: “The main purpose of Governmental Activity is that each and every citizen of the country should touch happiness!” The entire development strategy of the country bases itself on this GNH (Gross National Happiness)! A new ministry has appeared, the Ministry of Happiness!

The Ministry of Happiness has organized a few international conferences inviting reputed specialists from the Occident, including Nobel Prize Winners in Economy in order to develop some strategies and calculation methods of the GNH.

The concept had thus evolved into a socio-economic development model. In July 2011 the proposal has passed The United Nations Organization, with Resolution 65/309, having the title: “Happiness: Towards a Holistic Development Approach”, that was unanimously approved by the General Gathering, and from that month happiness is introduced on the day order of global development.

The Resolution 65/309, pg. 1 recognizes:” that the gross domestic product indicator by nature was not designed to and does not adequately reflect the happiness and well-being of people in a country”

The four pylons of GNH are: durable development, conserving and promoting cultural values, conserving natural environment, establishing a good government.

2.2 GDP, the present evaluator of a nation’s state of well-being.

According to oecd.org GDP (Gross Domestic Product) is a measure of the size of an economy. It is defined as "an aggregate measure of production equal to the sum of the gross values added of all resident, institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs).

GDP components:

Private consumption - is typically the largest component of GDP, accounting for household spending in the economy. These expenses can be classified into: durable goods, perishable goods and services. Examples: food, rent, luxury goods.

State expenses - or government consumption, government spending is the sum of all finished goods and services. Includes salaries of public sector employees, the purchase of weapons etc

Investments - including investment in plant, equipment, inventory and does not include exchanges of existing assets. For example: the construction of a mine, purchase of software, purchase of machinery and equipment.

Household spending for new homes are part of the investment.

Exports - represents a country's gross exports, including goods and services for consumption in another country imports - rough imports represent.

Note: GDP calculation are considered only goods and services for final consumption. Example: PC = good finished a microprocessor is an intermediary good.

More consumption from the part of a nation does not equal more happiness.

The fight of pharmaceutical companies to conquer more and more share market is astonishing.
Professor Philippe Even, director of Necker Institute, France, and co-author of a volume of 900 pages, "Guide of 4,000 unnecessary drugs or dangerous, argues that the removal of such drugs from lists of state-subsidized would achieve savings of tens of billions of euros per year, but especially would avoid 20,000 deaths related to medication. Blacklist, which comprises 58 dangerous drugs, including NSAIDs, medicines that treat heart disease, diabetes, osteoporosis, muscle cramps or nicotine addiction, and contraceptives, and among those considered useless were mentioned statins, taken widely lowering cholesterol.

Professor Even accused the pharmaceutical industry that has a rich-quick attitude. In an article given to "The Guardian", in September 2012, he said that manufacturers are pressuring doctors to prescribe drugs for them, and the doctors pressure the patients to consume them. "The pharmaceutical industry is the most profitable, more cynical and unscrupulous industry. It is like an octopus whose tentacles infiltrating the decision groups, global health organizations, governments, parliaments, government hospitals and health centers and health professionals. Nothing much was found in the last 30 years, while production has multiplied, using tricks and lies, he said Philippe Even, adding that "on Wall Street, the pharmaceutical industry ranks third after oil and banks, and increased by 20%. It is more profitable than diamond mines". (Kim Willsher, Friday 14 September 2012, the Guardian, „Half of drugs prescribed in France useless or dangerous, say two specialists. The doctors claim that the state wastes money on unnecessary medicine that they blame for up to 20,000 deaths annually”)

In terms of drug dependence people, Even said: "In the last 40 years, all patients received the drugs said that they need, so they got used to ask. Their attitude has nothing objective or realistic". (Kim Willsher, Friday 14 September 2012, the Guardian, „Half of drugs prescribed in France useless or dangerous, say two specialists. The doctors claim that the state wastes money on unnecessary medicine that they blame for up to 20,000 deaths annually”).

This type of behavior reflected in the GDP does not equal care for people or happiness. It only reflects irresponsibility and an unmeasured greed.

The same is the case of other industries like gun-producing industry.

If you love people you do not kill them in wars or with unnecessary medication.

Cheptea, 2013:” the latest studies performed in the area of economy have proved that there is finally no connection between a higher gross domestic product bringing more happiness, economists tend to be more and more attracted by the idea of using as a macro-economic indicator the gross domestic product of happiness”.

3. Concluzii

According to Layard (2007), we can compare happiness among countries by the help of six key indicators: the number of people saying that they can trust other people, the number involved in social organizations, the number of divorces, the quality of the government, the unemployment rate and the religious faith.

It is time to turn to ourselves and inner self, to turn to moral values, to turn towards people around us.

The world we live in cannot evolve if we do not give a higher importance to the spiritual part of our life. Economy has based a lot on Mathematics up till now, ignoring completely man, and his essence, his aspirations, wishes, expectations.

Everything was comprised into a mathematical formula that quantifies different indicators, but can we put our finger on feelings and thoughts, can we formulate them also?

It is time to include the spiritual side of people within economic concepts and measurement formulas; it is time to replace old measures with new ones, placing the welfare of man in the center of economic activity and life.

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