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Gross National Happiness index: towards measuring the progress of societies[1]

Introduction

1.   Measuring a nation's progress is important in any country, regardless of the level of its development. Over the years, progress has been conventionally and traditionally measured in terms of economic growth with gross domestic product (GDP) and gross national product (GNP) as measures. However, GDP and GNP do not really measure welfare, thus, other measures such as the human development index (HDI), families of measures of poverty, the Millennium Development Goals (MDG) indicators and happiness index, among others, have surfaced in efforts to improve the monitoring of the development of a nation.

2.   In the light of recent developments and initiatives for alternative measures of progress, accompanied by the increasing openness of the global community to embrace the concept of happiness as a component of progress, this paper provides a component measure of Philippine society's progress, the Philippine Happiness Index (PHI).

3.   The PHI presented in this paper is meant to measure happiness that can be combined with "conventional" economic indicators to come up with a more relevant measure of the progress of a society. This paper presents a conceptual and a statistical framework of the PHI and reflects an attempt to show how official statisticians can be more relevant to the needs of society (see [1]).

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Conventional Measures of Progress of the Philippine Society

4.   Progress of the Philippine society is usually measured through the following:

- Philippine System of National Accounts (PSNA), which adopts the framework of the System of National Accounts developed by the United Nations in collaboration with other international organizations (see [2]). In addition, the NSCB has compiled satellite accounts for tourism, health and education and Is now in the process of producing a satellite account on expenditures on research and development as well as reviving its efforts to measure the contribution of women to the economy. The PSNA thus produces measures of economic and to some extent, social and environmental development.

- Official poverty statistics, wherein the NSCB releases estimates of poverty incidence and count of the poor every three years while food and poverty thresholds are estimated annually.

- Human development index, which was conceptualized by the United Nations Development Programme (UNDP) in 1990, provides a measure that promotes a more balanced concept of human development rather than focusing mainly if not solely on economic growth as what the SNA does. The HDI measures society's progress in creating an enabling environment for people to enjoy long, healthy and creative lives.

- StatDev (Statistical Indicators on Philippine Development) Philippines is a statistical indicator system to monitor the achievements of the goals set forth in the Medium-Term Philippine Development Plans (MTPDP). However, unlike the other above-mentioned indicators, the StatDev Philippines is focused on highlighting sectoral performance during the plan period, with no overall measure to provide information on the overall attainment of the development programs articulated in the MTPDP.

- Philippine Millennium Development Goals (MDGs). The Philippines, as one of the signatories in the UN Millennium Declaration, has institutionalized the monitoring process on MDG indicators, with the NSCB acting as the official repository of MDG indicators. Available statistics from various sources are compiled to monitor the country's progress towards the attainment of the MDGs.

The Philippine Happiness Index

5.   For official statisticians to be relevant to all stakeholders and for statistics to be useful to society, national statistical systems should generate statistics to monitor emerging concerns of society such as democracy, human rights and governance, violation of children and women, women's contribution to economic growth, and **happiness**. In fact, increasing attention has been given worldwide on the need to measure genuine progress of societies (see [3]). Thus, the current

environment has become conducive for national statistical agencies to consider the compilation of the Happiness Index (HI).

Guiding principle of the PHI

6.   The guiding principle in coming up with the PHI is the fact that economic progress and happiness are not synonymous. It is therefore important to integrate in a measure of progress of Philippine society the two distinct although not mutually-exclusive concepts of economic progress and happiness. The PHI supplements the PSNA by incorporating a component of national progress that takes into consideration differences in individual aspirations and desires.

7.   The following are important features of the PHI:

- The computation of happiness starts from the point of view of the individual.

- The PHI is not normative; it recognizes individual differences.

Conceptual framework of the PHI

8.   In the compilation of the PHI, the individual plays an important role.   The main consideration is that an individual has his/her own definition/sources of happiness. Individuals will be asked to identify domains of their happiness from a list. The list consists of 1) community participation and volunteer work; 2) cultural activities; 3) education; 4) family; 5) friends; 6) health; 7) income and financial security; 8) leisure and sports; 9) love life; 10) religion and/or spiritual work; 11) sex life; 12) technological know-how; 13) work; 14) economy; 15) environment; 16) government; 17) politics; and 18) peace and security; and 19) food. Domains not identified by the respondent will not figure in the computation of his/her happiness index.

Estimation methodology

9.   The basic data are to be collected through a survey. If funds are going to be made available, this can be conducted as a rider to one of the rounds of the quarterly Labor Force Survey (LFS) of the National Statistics Office (NSO).

10.   The PHI is computed as follows:

- Each individual identifies his/her domains of happiness.

- Each individual determines the weights (relative importance) of each domain. For each of the domains that the individual has identified to be a source of happiness, he/she will be asked to give a degree of importance from 1 to 10 (least important to most important). The weights are derived from these responses.

- Each individual measures the level of happiness for each identified domain.   The respondents will choose the level of their happiness (very unhappy, unhappy, neutral, happy and very happy) for each of the identified domain of happiness.

- Each individual's happiness index is computed. Based on the identified domains, the weights and the level of happiness for each identified domain, the happiness index (HI) of the individual is computed. The derived Happiness Index can be compared with the general assessment of the individual based on a separate question in the questionnaire.

- The overall PHI is computed from the happiness index of the individuals. The PHI is simply the average of the individual Happiness Index. The PHI can also be computed for various subgroups. Alternatively, the PHI can be computed using the direct responses (not the derived happiness index of the individual).

Pilot computations on the PHI

11.   Pilot studies were conducted in September/October of 2007 and 2008 using questionnaires administered to a group of selected (not randomly) participants of the National Statistics Month Opening Ceremony, public and private sector employees working in Makati City.

12.   The pilot results are as follows:

On the important sources of happiness:

- Two most important sources of happiness are family and health;

- Other important sources of happiness are religion/spiritual work, education, and income/financial security; and

- Least important sources of happiness include politics, government, community and volunteer work, and cultural activities.

On the actual levels of happiness:

- Respondents are happiest with family, religion, friends, love life, and health;

- Least happy with government, politics, and economy;

Other interesting results:

- "Qualitative" assessment of happiness is higher than the "quantitative" assessment by 8-10 percentage points;

- Respondents do not consider sex life as one of the more important sources of happiness; but they find sex more fun than volunteer work or cultural activities;

- As income rises, happiness also rises;

- Women are happier than men; and

- 8 out of 10 respondents think that progress is synonymous to happiness!

Concluding remarks and recommendations

13.   The groundwork for the measurement of the PHI has started, but obviously there is room for improvement. Toward this end, the following recommendations are being forwarded:

- In order to enhance the relevance of the statistical agencies to its stakeholders and of statistics to society, national statistical systems should get involved in the measurement of progress of society such as on the measurement of happiness, democracy, human rights and governance.

- National statistical systems and the private sector should do collaborative work in order to minimize duplication of efforts and optimize the use of limited resources.

- Existing household-based labor force and income and expenditure surveys, and surveys of the private sector should be tapped to save on costs.

- Provincial level estimates should be generated for the indicators to be useful.

- Compilation of a country's happiness index should be pursued to provide a more relevant measure of progress of its society. However, strong statistical advocacy is needed to ensure that the public is made aware of its significance and for the public to be supportive of data collection activities of government. And the methodology should be continuously improved.

- If indeed, happiness is a component of progress of society, government including local government units should take a pro-active role of in considering happiness of the citizens in the design of policies and programs.

ACRONYMS

GDP	Gross Domestic Product
GNP	Gross National Product
HDI	Human development index
HI	Happiness index
LFS	Labor Force Survey
MDG	Millennium Development Goals
MTPDP	Medium-Term Philippine Development Plan
NSCB	National Statistical Coordination Board
NSO	National Statistics Office
PHI	Philippine Happiness Index
PSNA	Philippine System of National Accounts
PSS	Philippine Statistical System
StatDev	Statistical Indicators on Philippine Development
UNDP	United Nations Development Programme

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