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GDP Growth and Income Paradoxical Relation to Happiness in China and South Asian countries

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Abstract

Happiness is the main aim of peoples in the world irrespective of their color, occupation, age and nationalities. Recognizing the similar meaning with subjective wellbeing, quality of life and life satisfaction, happiness has become a novel research theme for all researchers in all disciplines. The paper "GDP Growth and Income Paradoxical Relation to Happiness" is an innovative study in the field of happiness economics. The main objectives of this study are to show the relation between GDP growth and Income on happiness. Besides, this study shows the relations of HDI and economic freedom on happiness. The study analyzes the panel data from 2008 to 2016 covering China and South Asian countries. The main predicted variable of this study is happiness and major interested predictors are the GDP growth, GDP per capita, Human Development Index (HDI), economic freedom, life expectancy at birth and Gini. In addition to this, the paper estimated the relation between income and economic freedom, GDP growth and GDP per capita with inequality. The estimation strategy is to apply fixed and random effect and found the negative association between GDP growth rate and happiness but, in contrast, the study found the positive association between GDP per capita and happiness. The result found that negative association between the human development index and happiness and strong positive association and statistically significant between freedom of life choices and happiness. The study found the negative association between Gini and happiness and both negative and positive effect of life expectancy and economic freedom on happiness.

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1. Introduction

Happiness is the most desired end of all human endeavors and it is the way to live a good life (Jacolyn M. Norrish, 2008). Mentioning this quote, he further explained happiness that it has become a philosophical, religious and scholarly debatable topic for centuries. Gradually, this topic has become an attraction among the scholars and it has been started to study and analyze by spiritualists, psychologists, economists, sociologists, political scientists, and other experts. He further argued that philosophers and theologians engaged in speculative discourse and defined that happiness is one kind of state of mind. He has been explaining the historical development path in his paper and mentioned that happiness studies entered in the mainstream of economic literature after the long study in the field of Philosophy and Psychology. Gradually, the topic of happiness has been a common area of study of all psychologists, economists, sociologists and it has been attempted to quantify and measure by different tools and these efforts have given birth to various theories and analytical tools in the area of happiness. Happiness is an overall appreciation of one's life and it is defined as the degree to which a person evaluates the overall quality of his present life as positively (Oishi, 2013). Happiness is the conscious state of mind; it can be measured either by a survey, scale of positive and negative effects, mood analysis, and frequency of positive emotional experiences and analysis of facial expressions. The most common practices are a single direct question "how happy you would say you are?" or how satisfied are you with your life (Dinear E. 2012). The happiness is defined by different perspectives and studied by different themes and approaches. (Veenhoven, 2009) further broadly defined the word "happiness" and mentioned that it is defined and recognized as the same meaning with life satisfaction, quality of life or wellbeing which is indicated the good and quality of life. He mentioned (Jeremy Bentham: 1789) and discussed that happiness is the sum of pleasure and pains. He mentioned (Wessman & Ricks: 1966 and Sumner: 1997) and further explained that happiness is the overall evaluation of the quality of individual own experiences or being happy is a certain kind of positive attitude towards the people's lives and it is the fullest form of both cognitive and affective component. Brey (2012) explained that Aristotle was the profound of happiness study and during this time it has become the topic of philosophical study in the ancient Greeks. Gradually, it has become a central theme to philosophical study in the 18th and 19th century. The philosophers, Jeremy Bentham, and John Stuart Mill studied happiness as a part of their theory of utilitarianism. From the starting time to present, the happiness study has been recognized by three main philosophical theories: these are hedonist theories[1], desire-fulfillment theories[2] and objective theories[3] (Parfit, 1986; Griffin, 1986; Sumner, 1996). After the philosophical area of study, happiness study has become a research area of psychology. Kahneman (1999) described that the study of happiness in the field of psychology is massively started from the 1950s. The number of psychologists started studying positive emotions and feelings than the negative emotions in the field of happiness during the 1970s and 1980s.

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1. Hedonism is the philosophical theory describes only the pleasure is intrinsically good, and pain is the only intrinsic bad. The utilitarian philosophers, John Stuart Mill, and Jeremy Bentham both described the hedonism.

2. Desire-fulfillment theories (preference-satisfaction) emerged in the 19th century as a part of the product of welfare economics. Welfare economists started the study happiness as measuring utility in economic subjects. But the measuring pleasure and pain are in people's heads cannot be easily measured. So economists changed their themes to measure the satisfaction of preferences or desires.

3. Objective list theories described that wellbeing is the result of a number of objective conditions of persons rather than the subjective experience of pleasure or the fulfillment of subjective desires. It explained that the goods contribute to our wellbeing even if we do not desire them or experience pleasure from them

The psychological study of happiness and wellbeing is sometimes referred to as happiness psychology or psychology of happiness. According to the (Kahneman D.E. Diener, 1999), it has become the study area of life pleasant or unpleasant concerning with feelings of pleasure and pain, joy and sorrow and satisfaction and dissatisfaction. It has become the central theme of study happiness in psychology is Subjective wellbeing (SWB) which is contrasted with Objective Well Being (OWB). Diener (1999) mentioned the three major components to SWB these are positive effects (pleasurable feelings), negative effects (painful feelings) and life satisfaction. Brey (2012) further discussed happiness economics and also mentioned that Economics is a third field to study happiness next to philosophy and psychology. It is developed in a new branch of economics as a happiness economics and it is emerged as a new interesting approach to measure the national and international quality of life indices as policy instruments for economic development. The empirical research on happiness has become a very influential topic to guide social and economic policies. He further explained about well-being; the topic was directly or indirectly related as a utility in neoclassical economics. The economic behavior was explained as the term of individual utility. The utility is a measure of relative satisfaction, which is derived from consumption. It is the neoclassical utilitarianism thought developed by Jeremy Bentham and John Stuart Mill. They conceptualized wellbeing is based on utility to measure of pleasure or satisfaction to maximize utility. (Stanton: 2007) also mentioned that utility has become a dominated measurement of human welfare in mainstream economic theory till 1930. MacCulloch (2006) mentioned that Richard Easterlin was the first economist to use the happiness data to related economic aspect. In 1970s, the paradox of happiness has emerged. Easterlin (1974) found that people in high-income countries were not significantly happier than people in low-income countries and that rises of income above a certain threshold within countries did not seem to yield significant progress in happiness. After this, (TiborScitovsky: 1976) published the joyless economy and argued that economic orthodoxy. He mentioned that capitalist consumer societies would not necessarily generate happiness and the wealth, income and consumer products are not necessarily equal more happiness. In that decade, happiness emerged in economics as a topic of individual happiness. Renowned economists were engaged to study happiness by correlating between economic processes and individual wellbeing. They centralized to study links of economic factors like income, wealth, unemployment and social security, as well as social and institutional factors like freedom, relationships and good governance effects on individual wellbeing.

Now happiness study has become popular in behavioral economics and it is known as happiness economics (Lane, 2017). Stuzer (2003) mentioned that happiness study in economics is related to subjective well-being as a proxy measure of utility and empirical research on happiness in the field of economics has a very short history. Present research is focused on the relationship between income, unemployment, inequality, inflation, democratic institution and happiness. It, therefore, has become the most important theme to study for new policy goals for every country. Happiness economics is the study between wellbeing and economic as well as social indicators, which is helpful in evaluating and improving policies of the countries aiming to improve social welfare and individual happiness. It is worth noting that the term Gross National Happiness (GNH) was first expressed in 1972 by the King of Bhutan, His Majesty Jigme Singye Wangchuck which has become a milestone of ancient times though of human development and happiness came back to the 1970s with new thinking and innovations.

Many empirical studies have already taken place about the effects between economic indicators like income, wealth, occupation, and age on happiness. But, there are fewer studies to link between GDP growth, income and human development with happiness studies for policy debate in South Asian countries. The main research issues of this paper is to estimate the effect of GDP growth and GDP per capita on happiness along with the variables of HDI, life expectancy at birth, economic freedom and Gini Index.

2. Literature Review

Happiness is the ultimate end of all human beings and every people in the world wherever and whenever they were in Hunting and Stone Age, happiness was the main motto in their lives and wanted to gain happiness. Veenhoven (2010) has written in his paper that the history of agrarian societies has less than 5,000 years and most of the time of human civilization spent in hunter-gather societies. Since last 200 years ago, the modern industrial society has come into existence. We noticed that this industrial society is also rapidly transforming into global society day by day. Becoming the new area of study and common issue of all human beings, the researchers and academicians from different disciplines have centralized to study well-being or happiness. This is almost new study phenomenon in the area of economics and which is known as happiness economics in present times. Happiness is not more things, it is just the feelings and realization of the people and it is reflected and affected by the social, economic, cultural, political, geographical, and technological and every marvel of human behavior, which creates joy or happiness, pain, and pleasure among the human beings which is the feeling or mental state of people is related in human daily activities. This study is related to estimate the happiness by economic growth, and GDP per capita, human development, economic freedom, and freedom of life choices and Gini. So, the literature review in this study does not cover all aspects of happiness studies. Shih (2014) discussed the subjective well being and defined it from the ethical, theological psychological political and economic perspectives. The happiness has been defined as subjective and objective well-being, quality of life and life of satisfaction, among these terminologies, the word, happiness has to become popular and commonly used in the research filed. The meaning of happiness explained in two aspects. One is people's experiences of a positive state of mind and the second is feeling life satisfaction among the people. We can define happiness is a positive state of mind and people's feeling on their life satisfaction. But we need to understand that happiness is not the opposite of unhappiness or depression. Happiness should be defined and perceived on the basis of their cultural practices. Chinese people have a typical understanding of happiness in ancient times. Shih (2014) further mentioned that understanding the happiness among the Chinese people is totally different from western people. The word was i.e. *Fu or fu qi* is the closest equivalent word of happiness in Chinese ancient writings. It means that anything positive and good in life. The Chinese people defined happiness as their longevity, health, peace, virtue and prosperity. One important aspect to notice that the Chinese people considered comfortable death as happiness in ancient China. According to (Berg, 2010), happiness study has become a playground for hypothetical philosophy, in the beginning, means early ancient times. Then, the study of happiness has started from the consumption and utility perspectives, John Stuart Mill and Jeremy Bentham used consumption and utility perspective to study happiness. After the 1930s, the happiness has been started to study as an alternative measure of GDP, because, there started the debate that GDP is not the considered the good measures of economy and wellbeing. The happiness studies have been well studied after the mid-1970s and it has become the main subject of

empirical research, which mainly focused the wealth, growth and income relation on happiness and established many paradoxes in the field of happiness studies.

2.1 Happiness from Consumption/Utility Perspectives

It is simple understanding that consumption of goods and services give utility and it is the main determining instrument to gain life satisfaction or well-being, pleasure or pain of human beings. But, there is still a question how and what level of consumption is related to maximize life satisfaction. Parada Daza (2004) mentioned that in the 18th Century utilitarian school was established as the backdrop of the philosophical and converted to the utility function and it was the product of many schools of thought in many centuries. The David Hume (1711-1776), Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873) who were known as utilitarian popularly, they contributed to study on wellbeing from utility perspectives. The utility theory was also based on the hedonism theory of Socrates, Plato, and Aristotle. The main goal of the utilitarian was to maximize the pleasure and minimize the pain. They believed that pleasure was related to happiness and the presence of pleasure was provided the happiness and the situation of its absence it the cause of unhappiness. The main idea of the utilitarian was to gain wellbeing, which was, directly and indirectly, related in the happiness; especially in the individual happiness. They used to the utility to measure the life satisfaction of the people and which is derived from the consumption. The concept of utilitarianism was gradually replaced by social welfare and welfare economics. Stanton (2007) mentioned that the concept of welfare economics is the idea of Pareto optimality. In Pareto optimality, the idea of individual welfare is considered as a utility. Stanton argued that the idea of utility to maximize pleasure is changed towards economic growth, which was emphasized by Adam Smith and the issues of equal distribution by the David Ricardo and Karl Marx.

2.2 Happiness from Paradoxical Perspectives

The happiness studies in economics entered in the new dimension with paradox and puzzles after came out the Easterlin's (who was considered as the father of happiness economics) publication entitled on *Does Economic Growth Improve the Human Lot, Some Empirical Evidence* in 1974. After that, numbers of studies like, income, employment, money, wealth, economic growth and its effects on happiness were seen in the literature as the paradox and puzzles. Easterlin (1974) on his paper entitled on Does Economic Growth Improve the Human Lot? Some Empirical Evidence indicated the association between income and happiness and concluded that economic growth has a positive association with happiness if other things being equal. He further mentioned that the increasing the level of income contributes to raising the ambitions and aspirations among the people and he again revealed that aspirations have a negative effect of happiness. He covered the nineteen countries from Asia, Africa, and Latin America and covered the time period from 1946 to 1970. Wolfers (2008) on his paper entitled on Economic Growth and Subjective Well-being: Reassessing the Easterlin Paradox found that a clear positive link between average levels of subjective well-being and GDP per capita across countries. This study also found that the economic growth associated with rising happiness from the survey named "Gallup world poll" conducted among the 131000 respondents covering 131 nations in 2006. The paper Direct Evidence on Income Comparisons and Subjective Well-Being, Pannenberg (2015) discussed the relationship between income comparisons and subjective well-being (SWB) and found negative correlations between income and SWB among the colleagues, people in the same occupation and friends. The study is based on a survey and conducted among the 1017

respondents in the age group from 17-65 in Germany in 2008-2010 by-poll samples. Gilbert (2013) investigated the previous theories of adaptation and social comparison can explain the income-happiness puzzle (Easterlin Paradox) in Australia. The paper indicated that support for the theory of social comparison as an explanation for the happiness paradox. An increase of income in peer group hurts the poor more than the rich and suggested that a redistribution of income is likely to enhance the overall wellbeing of society.

2.3 Happiness from the alternative of GDP perspectives

In recent decades, large numbers of variables or indicators in the study of well-being and quality of life (happiness) have emerged. Most of the studies on happiness were initiated from the perspectives of Gross Domestic Products (GDP). Gnesi (2016) discussed GDP and specified Simon Kuznets, who was considered as the father of modern national income accounting systems, proposed the system of national accounting first time in the USA. In the early 1930s, the US economist Simon Kuznets developed the Gross Domestic Production (GDP) to measure the size of the country economy by calculating the final goods and services within the country in the fixed time period. From this time to till now, almost all countries in the world are operating expenditure method of GDP to estimate the health of the nation. However, Kuznets himself considered that GDP is an only rough measure of the monetary flow of goods and services produced by a country within a given time, it is not, therefore, a good indicator of well-being (Kuznets, 1934). Kuznets further discussed that the limitation of GDP is the boundaries of a nation in national income needed to be defined other services. In addition to listed in GDP, other services need to consider as end-product and a proper part of the national economy which are services of housewives, relief and charity, services of owned durable goods, earnings from odd jobs, and earnings from illegal pursuits etc. The GDP has some limitations; it could not include the well-being factors. Kuznets further argued that the welfare of a nation could hardly be represented from a measurement of national income because it does not consider the monetary value of caring work, the domestic work, and the environmental services. It is not able to indicate the real lives of the population. Sen (1985) also focused in his book entitled Commodities and Capabilities and mentioned that GDP can't explain the human diversity and personal indicators like gender, age, and health and environmental characteristics i.e. climate as well as social and institutional characteristics i.e. law and social norms and it is not the good measures of economics.

GDP is an indicator, which indicated the living standard of any country and society, but it is not a strong indicator because it is not directly responsible for environmental factors, quality of life, wellbeing and happiness. It doesn't account the activities outside the market and it is the rough indicators of development. Kane (2007) mentioned about the components of GDP and System of National Accounting (SNA) methodologies and discussed that GDP was initially developed in the USA and UK in the 1930s and 1940s when the world was in the social and economic disturbance from two global wars and the Great Depression. The Roosevelt was the president of US and his government wanted to bring out the US from the depression. There was a conflict situation among the people and the government. The government of US was more likely involved in World War II but the citizens wanted to recover from the depression. In that time GDP estimates were used to show that the economy could provide sufficient supplies for fighting World War II. In that time, some non-market productions were included in GDP like defense spending, emergency housing, and health care. But important economic activities such as volunteer work, social capital formation within healthy family units, the costs of crime and increasing prison population and the reduction of natural resources were

entirely excluded from GDP measurements. He mentioned that economists have warned GDP indicator since its introduction and discussing general wellbeing indicators. The GPD measured only promoted economic activity and overlooks changes in the natural, social, and human components of community capital and wellbeing. GDP is an indicator which only applies to measure matter and financial capital; it can't address to measure the social and natural capital. The nation has a completion to increase their GDP, which creates threats of ecological collapse, climate change, global warming and rapidly decorating the natural resources (Krugman, 2009). Similarly, Max-Neef (1995) mentioned that the relation of GDP and quality of life and mentioned that increased of GDP influenced the increases of overall quality of life. But, after a certain point of time, the increasing GDP will lead to income inequality, loss of leisure time and natural capital depletion. He argued a large number of research confirm that materialism based GDP increased alcoholism, suicide, depression, poor health, crime, divorce, and other social disorder. Robert Costanza (2009) mentioned that GDP measures can't address the problem of capitalism and it is not more related to welfare. He mentioned that index of sustainable economic welfare or genuine progress indicators, green GDP, genuine savings, ecological blueprint, human development index, living planet report, happy planet index, gross national happiness, and subjective well-being are the alternative indicators of GDP.

2.4 Happiness Practicing Perspectives

As an alternative to GDP, many countries and institutions studied and practiced happiness to measure their economy, social progress and evaluate the policies and happiness of the people (Ura, 2011). Some of the major practices are presented in the following table.

State/Commission	Economic Indicators	Environmental Indicators	Social Indicators	State/Commission
The government of Bhutan, 1972 Gross National Happiness Index (GNH)	▪ Living Standard Index ▪ Assets ▪ Quality of Housing ▪ Household Per Capita Income	▪ Ecological Diversity and Resilience index	▪ Education Index ▪ Health Index ▪ Good Governance Index ▪ Time Use Index ▪ Community Viability Index ▪ Cultural Diversity and Resilience Index	Wellbeing in various lives: Health, occupation, family, the standard of living, work-life balance measure on a scale 1-5 from very satisfied to very classified.
United Nations 1990 Human Development Index	Gross National Income Per Capita	Not included	Life Expectancy at Birth	Not Included
New Economic Foundation: 2006 Happy Planet Index	Not included	Ecological Footprints Land Uses	▪ Life Expectancy at Birth	Satisfaction with Life as a whole measure as a scale from 0-10
The government of Australia 2002 Measuring Australia Progress	▪ National Income Productivity and wealth	▪ Biodiversity Indicators ▪ Land Quality	▪ Health Index ▪ Work Index ▪ Family, Social Cohesion and	Not included

	indicators ▪ Disposable Household Income and Middle Income Group ▪ Inflation ▪ Competitiveness and Openness Indicators	Indicators ▪ Inland Water and Ocean Quality Indicators ▪ Atmosphere and waste indicators	Community Indicators ▪ Crime, Democracy and Citizen Indicators ▪ Cultural and Leisure, and transportation indicator	
French Government 2008 Measurement of Economic Performance and Social Progress	▪ Material Living Standard Indicators (Income, Consumption, Wealth) Economic Insecurity Indicators	Environmental Indicators (present and Future Condition)	▪ Health and Education Indicators ▪ Personal Activities, Political Voices and Governance Indicators ▪ Social Relationship Indicators ▪ Physical Integrity Index (Crime, accidents, natural disasters)	▪ Various Subjective Well Beings indicators, ▪ Cognitive evaluation of life and positive and negative emotions
OECD 2011 Your Better Life Index	▪ Income Index (disposable household income and wealth) ▪ Job Index (employment rate, long-term unemployment rate, personal earnings, job security	▪ Environmental Index (air pollution and water quality)	▪ Housing and Community Index, Education Index, Civic Education Index, Health Index ▪ Safety Index • Work-life Balance	Satisfaction life as a whole measured on a scale of 0 to 10, 10 is the best.
German Government 2013 Commission on Growth Prosperity and Quality of Life	▪ GDP per capita and its rate of Change, income distribution, government debt ratio	▪ National greenhouse gas emission, natural nitrogen surpluses, biodiversity indicators	▪ Employment rate ▪ Education (secondary education rate) ▪ Health (life expectancy) ▪ Freedom (world bank indicators for voice and accountability	Not include

The World Happiness Report published from 2012 was yet another milestone in the area of happiness studies. Its central purpose was to survey the science of measuring and understanding subjective well-being. The report attempted to show the six key variables GDP per capita, social support, healthy life expectancy, social freedom, generosity, and absence of corruption contribute to explaining the full sample of national annual average scores over the whole period 2005-2016 (J. Helliwell, 2017). Among the above practitioners of happiness, the happiness practiced of Kingdom of Bhutan has become very popular among the policy makers and economists. The country practiced the Gross National Happiness (GNH) as the alternative of GDP. Gross National Happiness (GNH) is the indicator, which was first coined by the late

kind of Bhutan Jigme Sngye Wangchuck in 1970s to respond to the western economists who argue Bhutan as a poor country on the basis of GDP. Gross National Happiness (GNH) is the guiding philosophy of Bhutan development process and it is one very strong indicator than the GDP. Tideman (2011) mentioned that GNH is not only the counterpart of GDP. It is considered as the new indicator of the sustainable economic development. Because GDP focuses on market activities and materialism while GNH is focused on all aspects related to human life. For this, it needs to be very subjective well beings like governance, culture, health, psychological welfare, leisure time, freedom and choices, harmony, ecological issues, and community activities. Karma Ura (2012) discussed that the Country, Bhutan has developed its GNH by developing five sets of values i.e. holistic (response all aspects of people's needs i.e. spirituals, materials, physical and social), balanced (balanced progress towards to achieve GNH), collective (recognized as collective phenomenon), sustainable (ensure wellbeing for current and future generation) and equitable (achieve reasonable and distribute equitable level of wellbeing). Bhutan developed the four strategic pillars i.e. sustainable and equitable socioeconomic development, environmental conservation, the preservation and promotion of culture and good governance. Similarly the GNH has nine domains psychological well-being (life satisfaction, positive and negative emotion and spirituality), health (self-reported health, healthy days, disability and mental health), time use (work and sleep), education (literacy, schooling, knowledge and value), cultural diversity and resilience (artistic skills, cultural participation, speak native language and ways of harmony), good governance (political participation, services, governance performance, fundamental rights), community vitality, donation (time and money), safety, community relationship, family) ecological diversity and resilience (urban uses wildlife damages, responsibility towards environment and ecological issues) and living standards (per capita income, assets and housing). According to the above indicators, Bhutan has developed the GNH and found that 40.9 percent of people in Bhutan achieved happiness in the time period of 2010. The HDI developed by the United Nations Development Program (UNDP) by covering three indicators literacy, life expectancy, and income data and which provide the measurement of development (Howard, 1994). Kovacevic (2010) discussed the indicator and calculation process of HDI and mentioned that it is calculated by three indicators i.e. a long and healthy life (life expectancy at birth), education index (mean years of schooling and expected years of schooling) and a decent standard of living (GNI per capita PPP US$). Now, the human development index covers 189 countries in the world. Jeni Klugman (2011) mentioned that the human development index has become a great attraction among the policymakers and academic arenas and it has become great concerns among the media people too. It has become popular around the world due to it can measure the country development through income, health, and education and provided the message that HDI is the much better indicator than GDP to measure the country development. It can be considered as an alternative measure of GDP to estimate the country development status. The concept of the indicator, HDI was first conceptualized by the Pakistani economist Mahbubul Haq with the collaboration of Amartya Sen and other economists to response their dissatisfaction with GDP. Some economists argued that the HDI is also not an absolute indicator to measure the country's development. The critiques are that the measurement indicators which are health, education, and income are very familiar in development economics and the issues of education, it covers only the lower level of education not include the higher level of education. In addition to this, the countries who have a high level of economic growth and GNI per capita, they might have a low level of education and health status, but HDI gives the equal priority to measure the index and even less prioritize the GDP components. This index does not capture the other many phenomena like geographical, socio-

cultural and political factors and different policies of the nation, which are the main indicators to measure the country development. Finally, we may conclude that, only the human development index is not sufficient and applicable to provide the overall wellbeing to the people. Zhiming Cheng (2016) explored the relationship between homeownership and subjective well-being in urban China by using the theoretical model on housing property and subjective well-being and they found that not only the homeownership but also the property rights are the matter for subjective well-being and the home loan and its type plays the significant role of subjective well-being. Patel (2018) estimated the self-employment and life satisfaction and found that business freedom enhanced the moderating effect of shared property on the relationship between self-employment and life satisfaction and they concluded that self-employment is positively related to life satisfaction. Tsai (2009) examined the economic openness and subjective Wellbeing using the data of 76 countries and found that economic openness has a positive association with subjective well-being. Dinear E. & Tov (2012) discussed that several research studies have found that economic freedom is positively related to life satisfaction. However, economic freedom with mediators of the small size of government, quality of legal system, trade openness drives this relation. But no research has studied the mediators of income per capita or other mediators in the relationship between economic freedom and life satisfaction and found income per capita mediates the positive influence on life satisfaction (Johan Graafland, 2015).

2.5 Happiness as an Alternative of Capitalism Perspectives

Capitalism is an economic system with private property with its five hundred years of history. During the whole history, capitalism changing its structure and appeared in different forms i.e. mercantile capitalism, industrial capitalism, financial capitalism, welfare capitalism, and neo-liberal capitalism. Capitalism is the capitalist mode of production and distribution within capitalist societies for private profit. The economic system is based on wage labor and private ownership in the production system, which creates the surplus value, by the wage exploitation of labor, which ultimately converted to profit and capital accumulation (Marx, 1958). Capitalism has many features like private property, market mechanism, consumer's choice, and profit. But among the many features, the main feature of capitalism is profit (Mahmud, 2015). Stevenson (1982) defined the profit as a name of the surplus value, which comes from exploitation, and it continues to fuel capital accumulation by growth and unhealthy competition. The capital accumulation increases the inequality and ecological degradation i.e. never solve by capitalist economists. The inequality and ecological degradation is not a positive association with happiness. Therefore, the whole capitalist system ultimately is not able to apply for people's wellbeing. The growth and increased income i.e. capital accumulation is not positively associated with happiness in the long run. For seeking the wellbeing under the capitalist system, a serious debate started among the economists in search of an alternative to capitalism within the capitalistic mode of production and distribution system in different names and approaches. Clairzier (2017) mentioned that capitalism is the opposition to human progress and wellbeing. Luna (2015) has discussed capitalism that it is a profit making system in the short run characterized with high productivity, competitive markets, private property and exploitation of labor and therefore it is not for human beings. He further discussed the alternative of neo-liberalization and seeking the process solution of the capitalism and suggested that the capitalism needs to return to Keynesianism or return to real socialism and enhancing new development experiences such as Mondragon, Kerala and so-called socialism in 21st Century for the human wellbeing. In recent decades, there is a trend to search for the alternative to capitalism in different forms

apart from socialism too. Luciano Barin Cruz (2017) also mentioned that there are many areas of research that have been appeared as the alternative of capitalism which are alternative organizational forms and their business, the process of creation and development of alternative organizational models and objectives and impacts of alternative organizational forms etc. Gaudilliere (2008) has been seeking the needs of people from the theoretical and political perspectives and mentioned that environmental degradation is the main result of capitalism which is not in favor of human wellbeing. In conclusion, capitalism can't address the problem of inequality and environmental issues, which is not positively associated with happiness. Skidelsky (2011) emphasized that capitalism needs to be close to create a better life, it is the only accumulation of capital with the result of inequality. He mentioned that many evidences proved that if the economy is stable, people will be happier, if the wealth and income are equally distributed, then the people will be happier. Therefore, for the happiness of the people alternative to capitalism should be sought. But he importantly noticed that socialism is not the alternative to capitalism.

2.6 Happiness from Marxist Perspectives

Whatever Skidelsky (2011) mentioned, socialism is the one most important alternative of capitalism. Daojin (2014) explained that happiness is not only the state of mind, but it also needs to understanding from various perspectives. The view of happiness is reflected in people's societal, worldview and outlook of life. Happiness is a kind of social understanding and the view of people on happiness is different at various stages of society and mode of production. The mode of production has changed the people's understanding of happiness. If people are able to meet their actual standards and social needs, they can be happy. The earning money and spending money can't create happiness. The essence of Marxism is to seek the truth from the facts for the pursue all mankind. That's why, understanding of happiness from the Marxism view is more scientific one. Engels (1995) believed that labor is the main sources of happiness. Marx believed that happiness is not given a gift by God, nature and other people, real happiness is reflected in the activities of human beings which is labor. Marxism has believed that happiness is not only the state of mind or one kind of human feelings, but it is also the reflection of society and nature and it can be created from own experiences, the free and conscious activities are the premise of people's happiness. Marxist perspectives of happiness are the unity of creation and enjoyment. Creating happiness by labor is the highest level of happiness and labor is the best way to realize human happiness. The Marxist theory on happiness advocated true happiness comes only from hard works. Marxist theory believed happiness is based on material life. For survival, people need food, shelter and clothing and otherelse in all history. The history told us the requirements for human beings is related to material production (Engeles, 1982). The production is only possible from the combination of labor and matter which is required for every human. The existence of materialism is a necessary condition for human beings and development. Marxism argued that labor and material life are the main sources of happiness.

3. Gap Analysis and Contribution

The paper estimated happiness by economic growth, GDP per capita, HDI, life expectancy, economic freedom, freedom of life choices and Gini. Therefore, the literature review is more focused on these areas. Beside this, the review also focused happiness from different perspectives like, utility or consumption perspectives, as an alternative of GDP perspectives; happiness practices perspectives, happiness as an alternative to capitalism perspectives etc. The review found that there is no sufficient study on paradoxical relation on happiness in

South Asian countries by using the variables of HDI, economic freedom, life expectancy and Gini. So, the paper provided the basic ideas to policy makers to how national level of happiness is increased by increase the GDP growth and income by adopting the mitigation strategies of inequality measures and social security provision in the senior age.

4. Data and Model Specification

The paper has analyzed the secondary Panel Data (2008 to 2016) covering China and South Asian countries that are used by different sources like World Bank dataset, Human Development Index. The main predicted variable (Y) is the happiness and the main predictors are GDP growth, GDP per capita, Human Development Index (HDI), life expectancy and birth, economic freedom, freedom of life choices, and Gini index. In addition to this the country is used as binary (δ) variable. The paper adopted the following multiple linear regression econometric strategies to estimate the result.

$$Y_{it} = \beta o_{it} + \beta 1 gdpgrowth_{it} + \beta 2 gdppercapita_{it}\beta + \beta 3 hdi_{it} + \beta 4 lifeexi_{t} + \beta 5 econf_{it} + \beta 6 foflieci_{t} + \beta 7 gini_{it} + \mathcal{E}_{it} \\ ---------(1)$$

$$Y_{it} = \beta o_{it} + \beta 1 gdpgrowth_{it} + \beta 2 gdppercapita_{it}\beta + \beta 3 hdi_{it} + \beta 4 lifeexi_{t} + \beta 5 econf_{it} + \beta 6 foflieci_{t} + \beta 7 gini_{it} + \delta country + \mathcal{E}_{it} \\ ----------(2)$$

Where

$Y_{it} = Happiness\ of\ the\ ith\ Country\ in\ Year\ t$
$\beta o_{it} = Y\ Intercept$
$\beta 1 gdpgrowth_{it} = GDP\ Grwoth\ Rate\ of\ Ith\ Country\ in\ time\ t$
$\beta 2 gdpcapita_{it} = GDP\ per\ capita\ of\ ith\ contry\ in\ time\ t$
$\beta 3 hdi_{it} = Human\ Developemnt\ Index\ of\ the\ ith\ country\ in\ time\ t$
$\beta 4 lifeexpec_{it} = Life\ Expectancy\ of\ ith\ country\ in\ t$
$\beta 5 ef_{it} = Economic\ Freedom\ of\ the\ ith\ country\ in\ time\ t$
$\beta 6 foflieci_{t} = Freedom\ of\ life\ choices\ of\ the\ ith\ country\ in\ time\ t$
$\beta 7 gini_{it} = Household\ Based\ Gini\ Index\ of\ the\ Ith\ Country\ in\ time\ t$
$\mathcal{E}_{it} = Errors, Distrubances$

Hausman test has given the option to choose between fixed and random efffect estimation mehtod. The estimated (p-value 0.003) has given the result to choose the fixed effect. For the comparative study, results from both random and fixed effect are analyzed here.
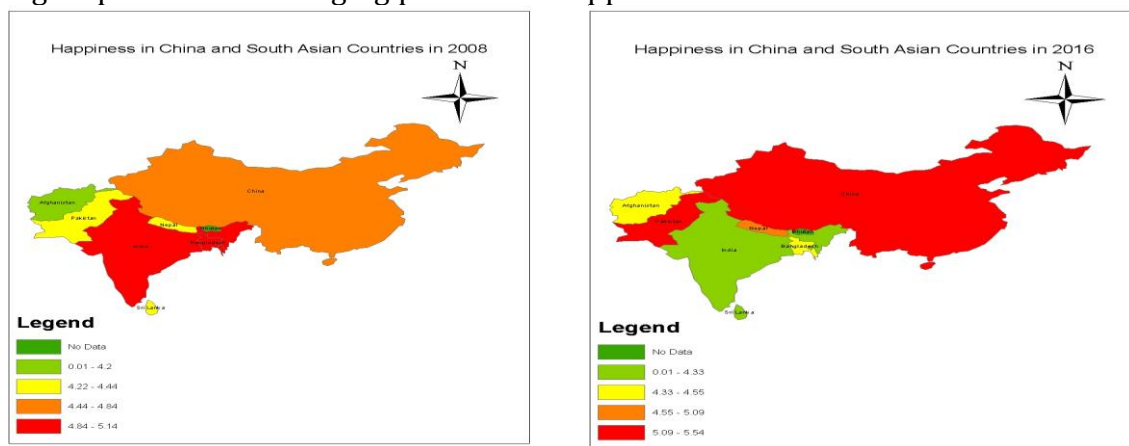
5. Findings and discussion

The study analyzed the following statistical findings on the basis of data.

5.1 Changing Happiness in China and South Asia

South Asia is the home of the world's largest population where around 1.7 billion peoples live in this area with diverse languages, races and cultures. India, the 2nd largest populous country in the world, Pakistan and 8th largest populous country, Bangladesh and other countries Nepal, Bhutan, the Maldives, Afghanistan and Sri Lanka are the countries in South Asia. China is the largest populous in the world where 1.4 billion people live (United Nations Population Division , 2017). Among the 8 countries, this study covers only five countries from South Asia i.e. Nepal, India, Bangladesh, Pakistan and Sri Lanka while three countries Bhutan, Afghanistan and the Maldives are not included in the panel dataset due to the unavailability of

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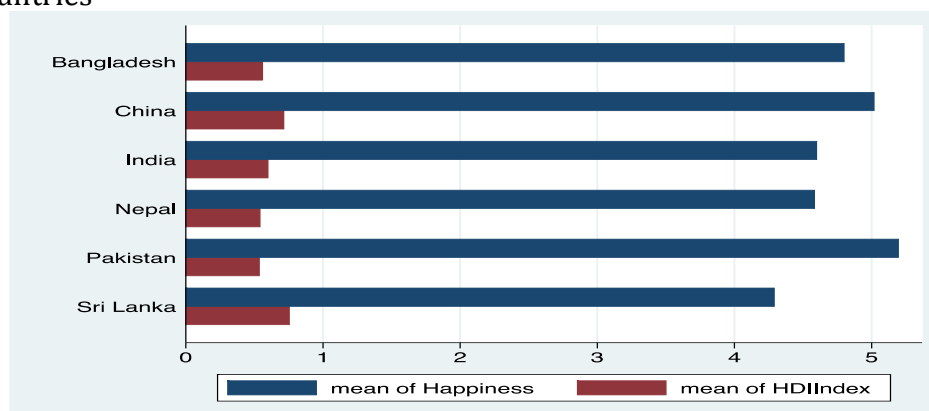
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data of explained and explanatory variables. The study has analyzed the happiness covers only six countries including China and 5 countries from South Asia. The study covers 54 observations from 2008 to 2016 time period. Among the six countries, Pakistan is ranked as the first highest happiness countries; the mean score of Pakistan is (5.195) from 2008 to 2016. The mean happiness of China is (5.02) which ranked in the second position, Bangladesh and India are ranked in the third and fourth position, the mean score of Bangladesh is (4.79) and (4.59) for India respectively. Nepal is ranked in 5th position, the mean score of Nepal is (4.58) and Sri Lanka is the ranked in the last position with the lowest happiness score i.e. (4.31). Apart from this, the study found that the average happiness of Afghanistan i.e. (3.9) and Bhutan (5.1). It is very difficult to find happiness data of the Maldives. The World Happiness Report (2016) Cantril Ladder states that Pakistan ranked in 65th position, China in 76th, Nepal in 88th position in the global ranking of happiness. We found the contrast with mean scoring of happiness the Nepal and Bangladesh are happier countries than India in 2016, where Bangladesh ranked in 103rd and India ranked in 121st position in the World. The following map shows the changing patterns of happiness in China and South Asian Countries.

Note: the author creates the map.

5.2 Changing Happiness and HDI in China and South Asia

This study found that the mean of the Human Development Index is the highest in Sri Lanka out of 6 countries, which is (0.754) and China is ranked in 2nd position index with (0.713) and the HDI in Pakistan is (0.535) which is less than Bangladesh (0.558), Nepal (0.541) and India (0.597). The details of the mean of happiness scores and human development index are presented in the following chart (5.1). Chart 5.1 showed the Mean of Happiness and HDI Index by Countries
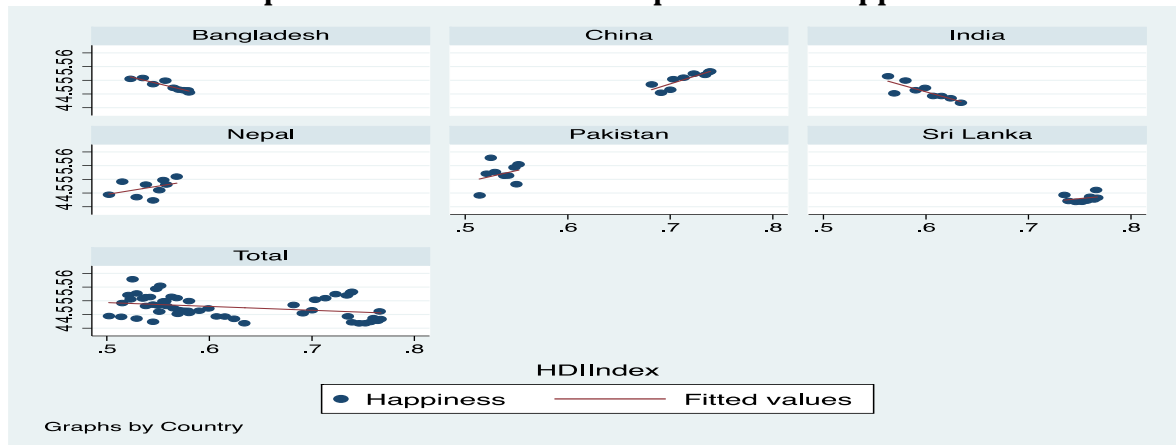

Note: (The Chart is created by the Author)

5.3 Contrasts between Human Development and Happiness

If we compare the mean of happiness scores and the mean of Human Development Index (HDI), we found the vast differences, the HDI of Sri Lanka is high but happiness is very low and the HDI of Pakistan is very low, but happiness level is high. If we compare the countrywide mean data between HDI and Happiness, the following scatter plot tells us the slope of the fitted regression line indicated the negative association between human development index and happiness in Bangladesh. The relationship has seen the same trends in India too. However, the slope of the fitted regression line found a positive association between the human development index and happiness in China, Nepal, Pakistan and Sri Lanka. If we analyze the overall six countries, it is very difficult to predict but the slope of fitted regression line indicated the negative association of HDI on happiness. The detail is presented in the following chart.

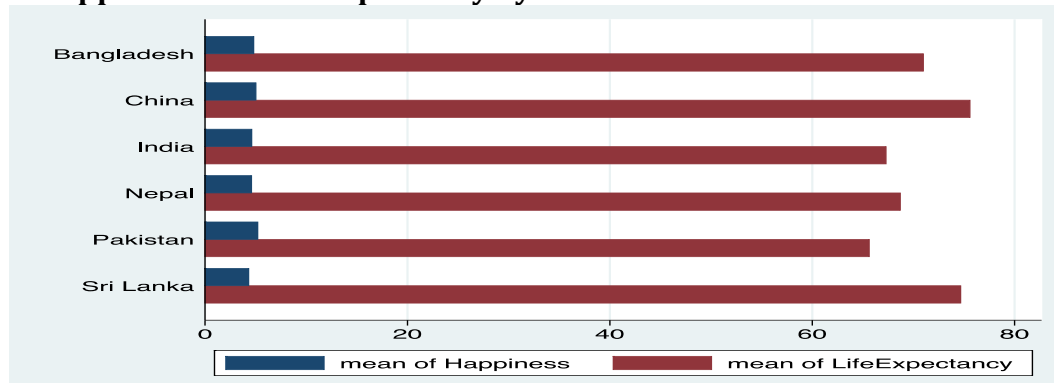**Chart 5.3 Relationships between Human Development and Happiness**

Note: (The Chart is created by the Author)

5.4 Average of Life Expectancy and Happiness

The study found that the average life expectancy at birth is high in China among 6 countries from the time period 2008 to 2016, which is 75.57 years and the 2nd ranked in life expectancy is in Sri Lanka, it is near to China, i.e. 74.65 years. The average life expectancy of Bangladesh and Nepal is 70.97 and 68.69 respectively. The least mean years of life expectancy is in Pakistan, which is 65.61 years, and India has 2 years more average life expectancy that is 76.29. We can observe the trends of average happiness score and life expectancy at birth by the following chart.

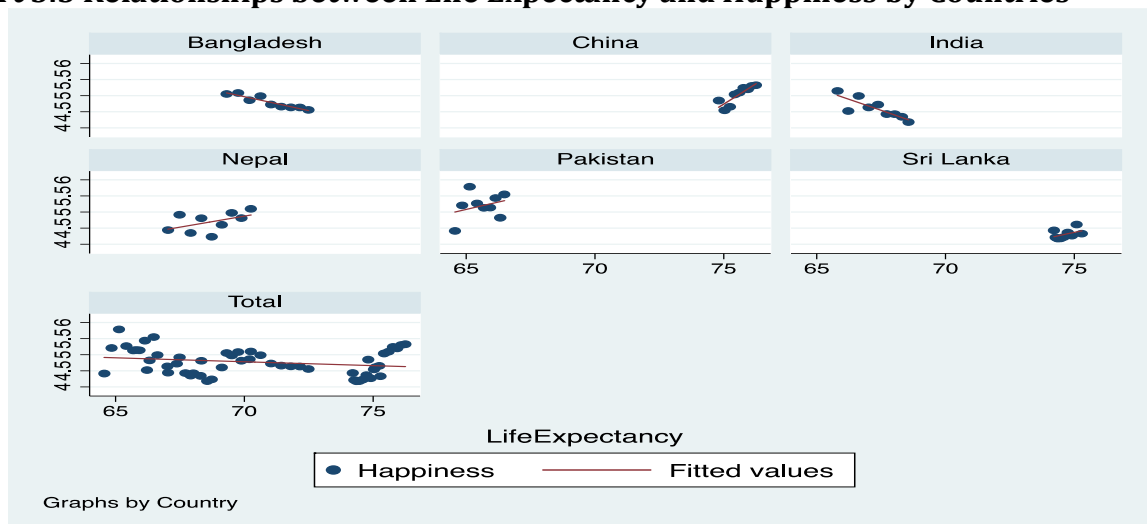**Chart 5.4 Happiness and Life Expectancy by China and South Asian Countries**

Note: (The Chart is created by the Author)

5.5 Contrasts between Life Expectancy and Happiness

If we analyze the distributing trends of average happiness of life expectancy, we found a very contradictory result. The happiness score in Sri Lanka is very low but life expectancy is very high, just opposite of Sri Lanka, Pakistan has low years of life expectancy but scoring high level of average happiness. Bangladesh is also contradicting about the relationship between life expectancy and happiness and found that a low level of life expectancy and high level of average happiness. Therefore, it doesn't mean the increasing of life expectancy effect positively on happiness. The following chart 7.4 shows the countrywide and overall relation between life expectancy and happiness.The slope of the fitted regression line indicated a negative relationship between life expectancy and happiness in Bangladesh and India and positive linear relationship in China, Nepal, Sri Lanka, and Pakistan. The people in these countries are happy if they have a long life. But the people in Bangladesh and India won't be happy if they have a long life. In overall, the slope of the fitted regression line indicated that the life expectancy has a negative effect on Happiness. The detail is presented in the following chart 7.4.
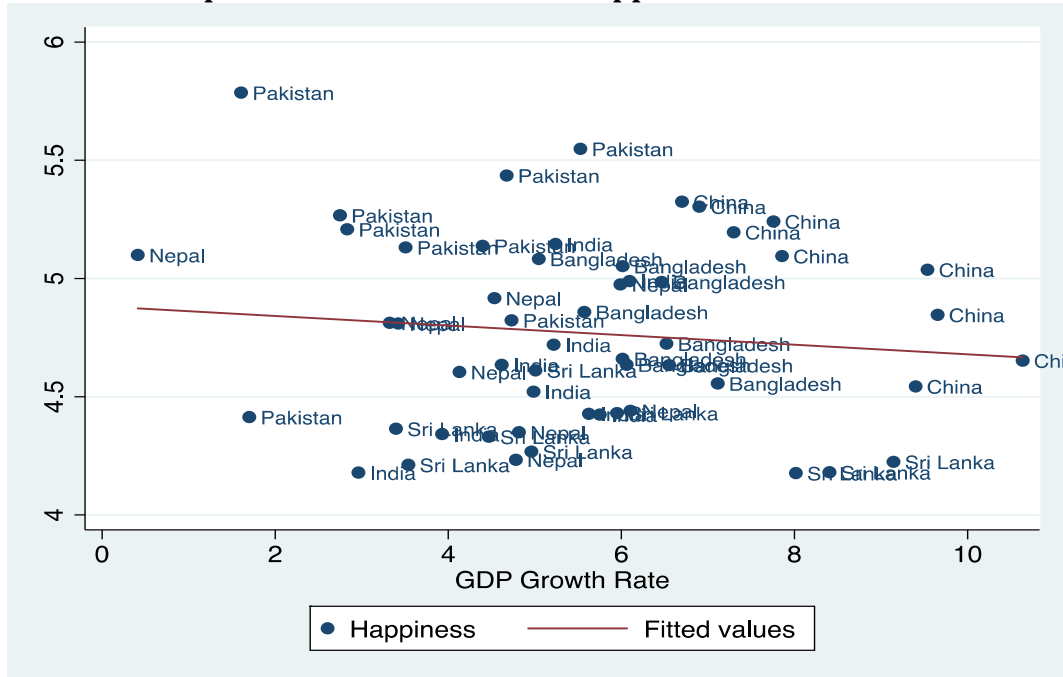
Chart 5.5 Relationships between Life Expectancy and Happiness by Countries

Note: (The Chart is created by the Author)

5.6 GDP Growths and Happiness in China and South Asia

The data clearly shows the average GDP growth rate of China is the highest growth rate i.e. 8.42 and Bangladesh has second highest growth rate which is 6.15 out of six countries from the time period 2008 to 2016. Sri Lanka has a 5.8 percent average growth rate and India and Nepal have 4.93 and 4.16 respectively. Pakistan has the lowest average growth rate among six countries i.e. 3.52 per annum. The study estimated the relationship between GDP growth and happiness and the slope of the fitted regression line indicated that the negative relationship between GDP growth and happiness in China and 5 South Asian countries.
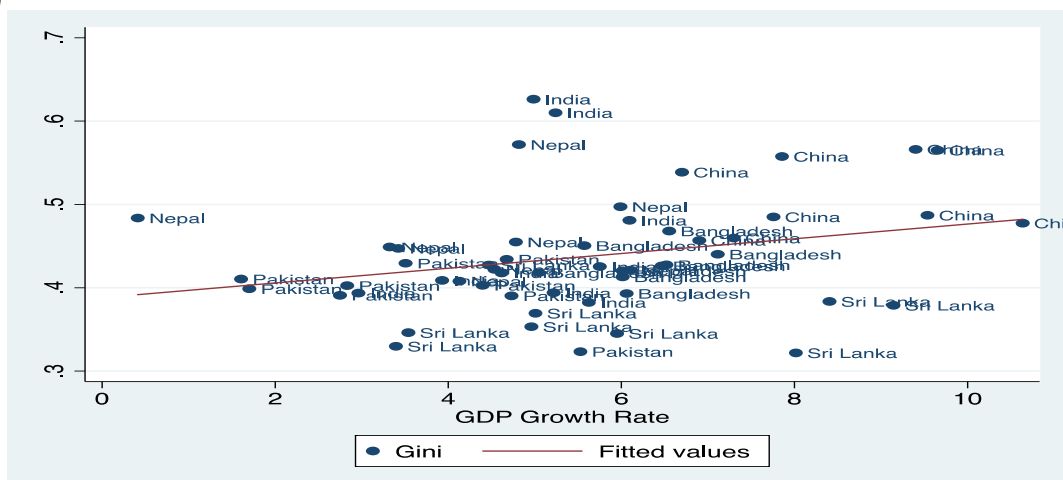
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Chart 5.6 Relationships between Growths and Happiness in China and South Asia

Note: (The Chart is created by the Author)

5.7 GDP Growths and Inequality

The Gini index indicates the unequal distribution of income and wealth and this study found the average highest Gini index in India and Nepal which is (.449) and (.446) respectively. Similarly, China has (.425), Bangladesh has (.439) and Pakistan has (.405) average Gini index. Among the 6 countries, Sri Lanka has the lowest inequality, which is indicated by (.361) Gini Index. If we compare with the average GDP growth rate with an average Gini index, found the positive association. It means that if the GDP is increased in any country, the inequality is also increased in this country. This study estimated the relationship between GDP growth and inequality and the slope of the fitted regression line indicated the positive relation between these variables. It means that the increase GDP growth is leaded to increase inequality too. The following chart (7.6) is helpful to understand the relationship between GDP growth and inequality
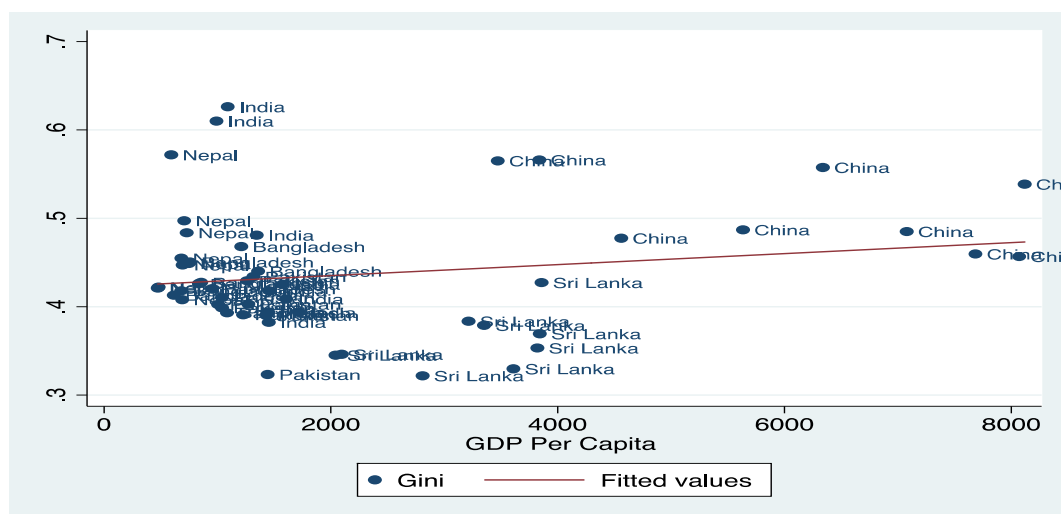
Chart 5.7 Relationship between GDP Growth and Inequality (The Chart is created by the Author)

5.8 GDP Per Capita and Inequality

The GDP per capita is measured in current US dollar and found that the average GDP per capita is highest in China i.e. 6087.73 US dollar from 2006 to 2016 and Nepal is ranked as the lowest GDP per capita i.e. 643.53 US dollar per annum. Similarly, Bangladesh has 928.01, Pakistan has 1225.98 and Sri Lanka has 3182.13 US dollar per annum. If we compare the GDP per capita with inequality, we found the positive association between per capita with inequality. If the income is increased, the unequal distribution of wealth and income is also increased. The study estimated the relationship between GDP per capita and inequality and the slope of the fitted regression line indicated the positive relationship between GDP per capita and inequality. It means that the increase the GDP per capita is also influenced to increase the level of inequality in China and Five South Asian Countries. The following chart (7.7) presented the relationship between GDP per capita and Inequality.
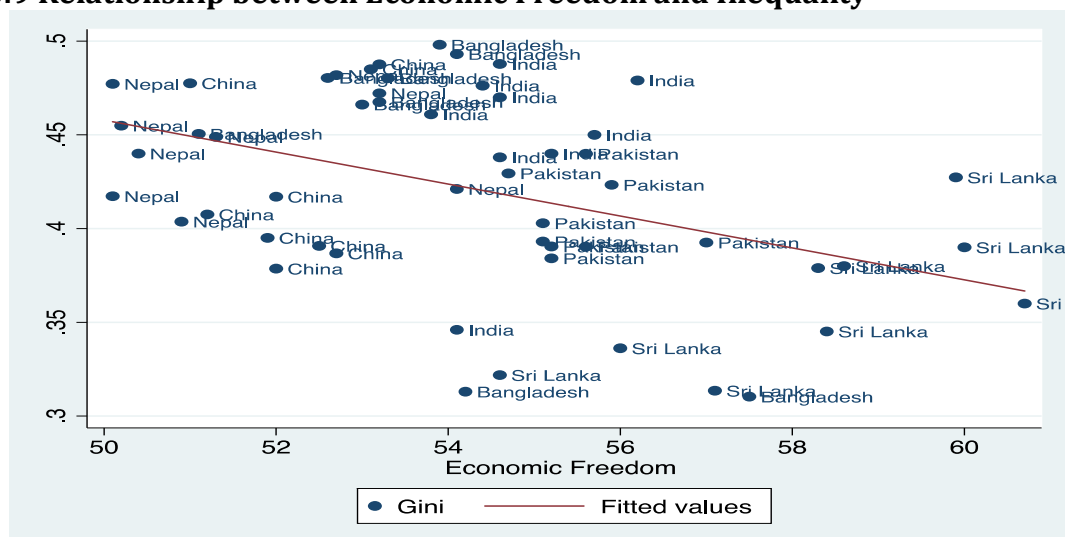
Chart 5.8 Relationships between GDP Per Capita and Inequality.

Note: (The Chart is created by the Author)

5.9 Economic Freedom and Inequality

The study found that the average economic freedom is highest in Sri Lanka, which is 58.17 and second is in Pakistan i.e. 55.48 among the six countries. Similarly, India has 54.8 and Bangladesh has 53.66 scores of economic freedom. China and Nepal have 52.17 and 51.44 average economic freedom respectively. If we compare the effect of economic freedom on inequality in China and five South Asian Countries, the slope of the fitted regression line found the negative association between these variables. It means that if economic freedom is increased, the inequality is also increased in these countries. The following chart (7.8) presented the relationship between economic freedom and inequality.
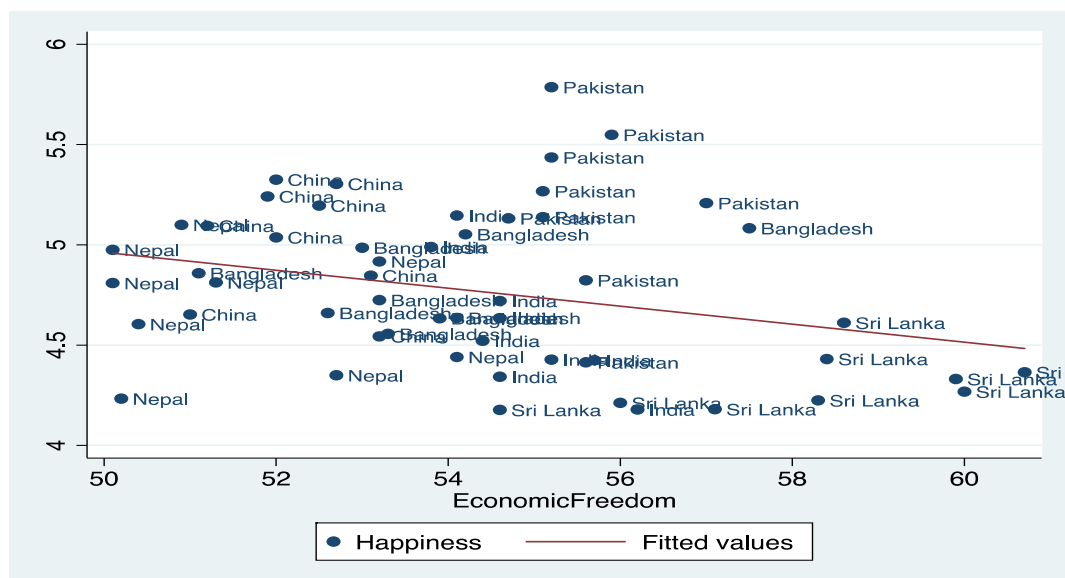
Chart 5.9 Relationship between Economic Freedom and Inequality

Note: (The Chart is created by the Author)

5.10 Economic Freedom and Happiness

There is an assumption that the increase of economic freedom has a positive association with happiness. In the estimation of overall sample, this study is also investigated the positive linear relationship between economic freedom and happiness. In contrast, the slope indicated that the negative relationship between economic freedom and happiness in China and 5 countries of South Asia. The following chart (7.9) clearly presented the relationship between economic freedom and happiness.

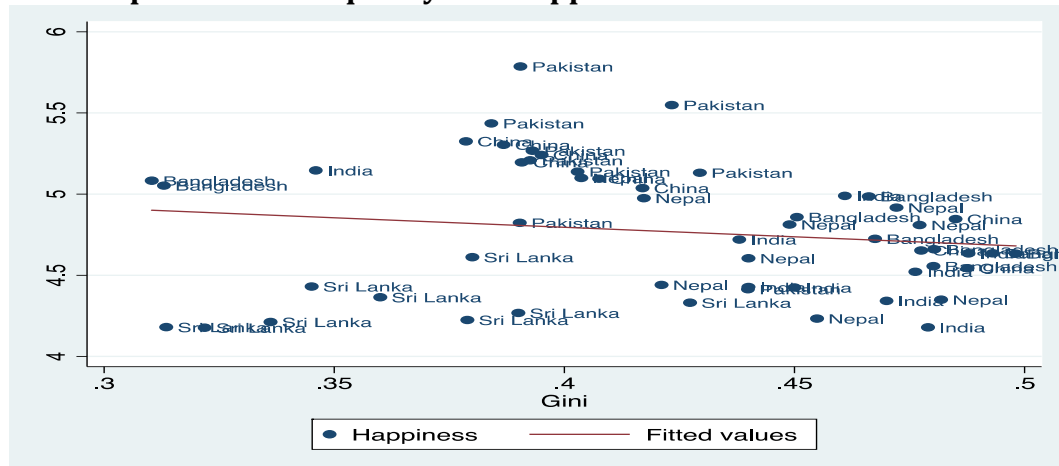### 5.10 Relationships between Economic Freedom and Happiness

Note: (The Chart is created by the Author)

5.11 Inequality and Happiness

There is an assumption that inequality has a negative relationship with happiness and this study also estimated the relationship between inequality and happiness. The slope of fitted

regression line indicated the Gini coefficient has negative relationship with happiness in China, Nepal, Bangladesh, Sri Lanka, Pakistan, and India. The following chart (7.10) clearly presented the relationship between inequality and happiness.

5.11 Relationship between Inequality and Happiness

Note: (The Chart is created by the Author)

6. Empirical Result

The regression model is developed to estimate the relationship between explained variable i.e. happiness and other main explanatory variables i.e. HDI, economic freedom and GDP growth and per capita by using the panel data. The study applied the Haussmann test to select the estimation techniques and founding p-value (0.003) indicated that to choose the fixed effect estimation method. But this study is presented both random and fixed effect to a comparison of the result by applying the robustness check for the mitigation of outliers (heteroscedasticity). Robustness check helps to detect the outliers and to minimize the other influencing observation (Xun Lu, 2014). The GDP growth rate found the negative association with happiness in fixed effect estimation method. The parameter found (-0.0360*) under the (0.1) percent level of significance. The finding is very close to the Nobel Laureate in Economics, Joseph Stiglitz's quote, he mentioned that GDP has increasingly used to measure of social wellbeing but the poor are increasing in society, therefore it is the time to focus wellbeing of people than the economic production. The finding of this study is also indicated to support this quote because economic factors are not only the sources of human happiness, it needs to focus that how to address the people's needs and expectations and their relations with the community. But in contrast, the GDP per capita found the positive association in both random and fixed effect. The parameter found (0.000221***) which is statistically significant under the (0.01) percent level of significance. The following table (7.11) indicated that there is a negative association between the human development index and happiness in both fixed and random effect model. The parameter (-11.20) found in the fixed effect estimation method and (-6.094***) found in the random estimation method. The random estimation method found a strong negative association between HDI and happiness and statistically significant under the (0.01) percent level of significance. By using the country binary variables, both estimation methods found the negative association between HDI and happiness but an insignificant result. The finding is surprising and gives the alternative result of the previous empirical pieces of literature. The freedom of life choices found a positive association with happiness. The fixed estimation method found the parameter ((1.127***) i.e.

indicated that strong positive relation with happiness and statistically significant result under the (0.01) percent level of significance. But random effect estimation method found the positive but statistically insignificant result. But in contrast, the study estimated the relation between life expectancy and happiness and found the mix result both negative and positive. The fixed estimation method found positive and random estimation method found a negative association between life expectancy and happiness but the statistically insignificant result. Similarly, the association of economic freedom on happiness found both positive and negative relationship. Similarly, the study has found a negative association between the Gini index and happiness. Gini index indicated the unequal distribution of wealth and income and found (-2.506**) in fixed effect which is negative association on happiness under the (0.05) percent of level of significance. But in random effect estimation method, the study found a negative association between Gini with happiness, the parameter (-2.472**) indicated that relation under the (0.05) percent level of significance and (-2.506***) percent level of significance by using the binary variables. The details are presented in the following table (6.1).

Table 6.1 Effects of HDI, Economic Freedom and Income on Happiness

Variables	Model 1		Model 2	
	FE	RE	FE	RE
GDP Growth Rate	-0.0360*	-0.0111	-0.0360*	-0.0360*
	(0.0176)	(0.0280)	(0.0176)	(0.0186)
GDP Per Capita	0.000171	0.000221***	0.000171	0.000171*
	(9.65e-05)	(2.55e-05)	(9.65e-05)	(0.000102)
Human Development Index	-11.20	-6.094***	-11.20	-11.20
	(13.10)	(0.782)	(13.10)	(13.88)
Life Expectancy	0.109	-0.00181	0.109	0.109
	(0.272)	(0.0142)	(0.272)	(0.289)
Economic Freedom	-0.0264	0.00575	-0.0264	-0.0264
	(0.0252)	(0.0101)	(0.0252)	(0.0267)
Freedom of life Choice	1.127**	0.258	1.127**	1.127***
	(0.307)	(0.275)	(0.307)	(0.325)
Gini Index	-2.506**	-2.472**	-2.506**	-2.506***
	(0.805)	(0.966)	(0.805)	(0.853)
Bangladesh				Omitted
China				0.507
				(0.413)
India				0.537
				(1.573)
Nepal				-0.0542
				(0.436)
Pakistan				0.850
				(1.152)
Sri Lanka				0.719
				(1.525)
Constant	5.526	8.770***	5.526	5.100
	(11.54)	(1.178)	(11.54)	(13.00)
Observations	54	54	54	54
Number of Country_1	6	6	6	6
R-squared	0.406		0.406	
Hausman Test	0.003			

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

7. Bhutanese Gross National Happiness

Three are only three years happiness scores data of Bhutan in World Our in Data. The average happiness score of Bhutan is found (5.19) calculated by scores of 2013, 2014 and 2015 three years happiness scores. But Bhutan is the different country in the world, this country has owned their system to calculate the happiness, which is very much, renounces in the world as the name of Gross National Happiness (GNH). Lepeley (2017) discussed the limitations of the Gross Domestic Product (GDP) on people's well-being have extremely discussed and found in the literature. He mentioned that the Bhutanese pioneering experiences Gross National Happiness (GNH) is an innovative practice to measure for national wealth and wellbeing and it is one innovative human-centered development strategies. The Jigme Singye Wangchuk, the 4th king of Bhutan also mentioned in his interview the concept of GNH is more than Gross National Product. Alejandro (2009) mentioned that Bhutan is the kingdom of South Asia with multi-party democracy. This country developed the gross national happiness index to maximize their happiness and they have owned their indicators, institutions, and policies to reflect in the GNH. Gross National Happiness (GNH) is the better concept that GDP. The concept was coined by the fourth king of Bhutan in 1972 followed by the main four main pillars as their guidance policies i.e. Equitable Economic Development, Environmental Preservation, Cultural, and Good Governance. The Centre for Bhutan Studies (CBS) developed the nine domains for measuring GNH, these are psychological wellbeing, time use, community vitality, cultural diversity and resilience, health, education, ecological diversity and resilience, living standard and good governance. They developed statistical measures for each domain from the related experts. He further mentioned that In the Psychological domain they focused people's psychological aspects like people's positive and negative feelings (jealousy, frustration, selfishness, generosity, compassion, calmness, meditation and enjoyment etc) and they measured the people's feelings from the ladder from 1 to 10. In community vitality, it focuses on the seven areas i.e. family, safety, reciprocity, trust, social support, socialization, and kinship. Alejandro (2009) further discussed the living standard and mentioned that it has four main areas i.e. income, housing, food, and hardship. Similarly, good governance has three indicators i.e. government performance, freedom, and institutional trust. Ecological diversity domain has three main areas which are environmental degradation, ecological knowledge, and afforestation. Education domain is focused on the educational attainment, Dzongkha language, and folk and historical literature, health domain focus the health status, health knowledge, and barriers to health. Similarly, cultural diversity focuses the traditional sports, community festivals, artisan skill, value, and basic precept. Munro (2016) mentioned the historical routes of gross national happiness of Bhutan and discussed that it has begun to appear in more official, donor, academic journalistic and touristic sources after 1996, Mentioning the quote of eight fifth-year plan of Bhutan i.e. "economic growth is not the goal of development, the increased commodity is only for the human capabilities, it is only useful to contribute GNH. According to the Centre for Bhutan Studies (CBS), the GNH survey was conducted in 2015 and found the result that 35 percent people are extensively happy, 47.9 percent people are narrowly happy, 8.4 percent people are deeply happy and 8.8 percent people are unhappy. The gross national happiness index increased from 0.743 to 0.756 and the 9 domains of GHN presented that the overall people's lives are improving.

8. Happiness Debate in Nepal

The development slogan coined by KP Oli, Prime minister of Nepal i.e. "Prosperous Nepal and Happy Nepalese" included in the 15th five year plan long term vision targeting to 2044. (Kandel, 2019) has mentioned that Nepal will be the prosperous, self-dependent; socialist

oriented country with equitable opportunities and educated, healthy and happy Nepalese. For this, Nepal has targeted to generating prosperity and happiness within 5 years, and accelerating prosperity and happiness within next 10 years and sustaining prosperity and happiness within next 10 years from the time of 15th five year plan of 2019. To achieve this target, the fifth year plan discussed that Nepal has developed four major prosperity indicators i.e. formulation of human capital and its completed utilization, high and sustainable production and productivity, developing infrastructure and high and equitable national income. Likewise, the 15th year plan has developed six major happiness indicators i.e. respected life, safe, civilized and justifiable society, healthy and balanced environment, good governance and strengthening democracy, national integrity, security and respect. The indicators and sub-indicators for the slogan included in the 15th five-year plan in Nepal can be presented in the following ways.

Target Indicators	Major Indicators	Sub Indicators
Prosperous Nepal	1. Human Capital Formation and Find the way of complete possible utilization	• Citizens with Good Health and Long life • Citizens with having Quality and Employment Oriented Education • Productive and Respected Employment
	2. High and Suitable Production and Productivity	• Sectorial Contribution in Economy • Energy Production and Utilization • Balanced Trade • National and Sectorial Productivity
	3. Develop Modern Infrastructure	• Safe, Cheap and Modern Transportation • Access and Participation in Transportation
	4. High and Equitable National Income	• High Income as Industrial Countries • End of Poverty • 40 Percent Citizen Participation in National Income
Happy Nepali	1. Respected Citizens	• Healthy and Satisfied Citizen • Residence with Facility and Safety • Equitable Ownership and Access of Physical Property
	2. Safe, Civilized and Justifiable Society	• Society without Discrimination, Crime and Violence • Promotion and Protection of Social and Cultural Diversity • Social Security and Protection
	3. Healthy and Balanced Ecology	• Clean Environment • Protection of Biodiversity and Balanced Ecology • Adaptation of Climate Change • Rescue based Economy and Society
	4. Good Governance	• Rule of Law • Public Order • Transparent and Responsible
	5. Strengthening Democracy	• Strengthen Federal Government System • Transparent, Free and Low Cost Election System • Ensure Fundamental Rights • Citizen Participation
	6. National Integrity, Security and Respect	• Ownership of Nationality • High Social Harmony • Ensure Security • Self-reliance on Daily Necessary Goods and Services

9. Conclusion and Policy Implication

The study found very strong policy implementation strategies from different estimation aspects. The negative relation between HDI and happiness give the idea that composite index of human development i.e. life expectancy at birth, mean years of schooling and GNI per capita excluding other aspects are not enough to increase the level of happiness. The ecological, social demographic, cultural and other infrastructural related aspects are also needed to increase happiness. Similarly, negative relation between life expectancy and happiness gives the idea without caring aspects of senior people, long life only can't increase the level of happiness, therefore, the government efforts and policy goals need to focus their caring aspects for example shelter, health and cultural aspects in their old age. The negative association between GDP growth and happiness proved that it is not a good measure to increase the wellbeing of the people as the literature mentioning and it gives the idea GDP component not only address the people aspiration and happiness, there should be included as the alternative measures of GDP to increase the level of happiness. Freedom, GDP growth and per capita has a positive association with inequality and inequality has a negative association with happiness. From this result, we know that the GDP only focus the growth, but it forgets to address the issues of unequal distribution of wealth and income as well as ecological degradation issues. These findings clearly indicated that the government institutions and policymakers should be focused to adopt the alternative measures in their policies and programs to minimize the inequality and to increase the individual happiness and the average level of happiness in the nation. On the basis of above findings, this study strongly recommends that availability of the HDI components is not sufficient to measure the human development status of any country. It should be changed by modified and including other indicators to measure the overall human development. The economic growth can't create the happiness in the long run rather than it fueling to increase the inequality between poor and rich. For the sustainable economic situation, policy should focus the equality measures along with economic growth to create the national level of happiness. There is another strong argument that the senior citizens are not quite happy and it should focus to address the strong social security measures in the national level policies and programs. Finally, only the economic growth rate does not lead to an increase in happiness, it fuels to increase inequality, which is the main ethics of capitalism. If a country wants to increase happiness level, it needs to focus to reduce inequality which is not possible in the capitalistic mode of production. So, the alternative way of capitalistic mode of production should be implement to increase the national level of happiness.

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