

**IN PURSUIT OF HAPPYNESS: HOW MODELS AND RANKINGS CONSTANTLY DO A HIT JOB AT CAPTURING THE STATE OF BEING (IN INDIA!)**Issue No. 1, FY24  
Date: 3 April 2023

The 2006 Hollywood phenomenal hit *The Pursuit of Happyness*, a fable-meets-fantasy tale on the life of Chris Gardner has often been lauded by critics, as also masses for its excellent capture of the constant unwavering struggle of the man(kind) to find happiness and purpose amidst all the challenges life throws, that few models can claim to capture in true entirety.

“Happy families are all alike, each unhappy family is unhappy in its own way” Leo Tolstoy wrote in the opening lines of his 1878 magnum opus *Anna Karenina*, little imagining his nearly philosophical statement would be flipped upside down seven scores later by Sustainable Development Solutions Network, powered by the Gallup World Poll data, penned by independent experts but promoted by ‘family foundations’ employing a convoluted maze of data sets and stacks of Cantril ladder questionnaires aimed at pooled gullible citizens to rank sovereigns on general ‘state of happiness’ prevailing thereupon.

The much debated rankings/results of the Index (rightly so, we believe, for it also manifests on the freedom a society has in deliberating upon the narratives being paddled around its core competency, innovations and dreams to carve a new niche place in the changing world order) which seems to have stuck to a rather generous and convenient middle path, overlooking persistent issues prevailing in many better ranked nations, from guns related violence unfolding through schools to streets, civil unrest on pension and jobs fronts, constant military dictatorship making freedom a scarce commodity for common citizen, the looming lost years as heightened cost of living exposes and expands the vulnerable to name a few nudge us to explore the possibility of creating an alternative model, one more cohesively conjoined with dependable tenets of financial and productivity based metrics while giving enough room to emerging facets like work-life balance, an altar of faith for the heavily tech tilted post pandemic world. While we do believe that no survey or index can claim to be ‘The complete Man’ (or, Woman), the 2023 Happiness index looks, at best, a statistical fallacy in search of an illusory Utopian society.

**India has been placed at 126th rank in the World Happiness Report 2023. While happiness is a subjective thing to define, therefore measuring the happiness across the world through the same lens could only mean every country and it’s countrymen/women feel happy the same way and in same proportion, which is highly unlikely as evolution has given a distinct aura to distinct geographies. The common measures of happiness for all countries may not be the right indicators to generate happiness indications. There are always country specific parameters in each domain of social science and development, and happiness measurement can not be exception to that. Based on country specific analysis of parameters of Happiness such as Financial Happiness, Happiness related to work access and productivity, Mental Happiness, Happiness related to work life balance, we estimate India at 48th position in terms of Happiness and we summarily dismiss the results of India’s 126th rank in World Happiness Index as a measure of Happiness.**

The Gallup promoted World Happiness Report measures the country’s happiness based on the survey data of representative sample on the basis of how satisfied the people are with their lives. The report points out that one should not look only at average happiness but the scale of misery i.e low life satisfaction. Based on the life evaluations, Finland remains at the top for six years in a row. Further, Afghanistan and Lebanon are two unhappiest countries. On the basis of Income, health, having someone to count on, having sense of freedom, generosity, and freedom from corruption, the happiness has been evaluated by the report, over the three preceding years, with the average spanning the three COVID-19 years of 2020-2022.

The factor that are closely related to higher level of happiness is social relationships, which in India are much broadened and altruistic than any other country in the world. Amount of time people spend with their friends and family is associated with positive happiness. As per psychological theories, married people are also associated with higher happiness than single people. Religious people again are more happy than non-religious people. Mental happiness is also very important for long term happiness.

Happiness is an overall assessment of life and all its facets. Happiness theories are related to hedonic happiness wherein happiness is experiencing of more pleasure and less pain, and Eudaimonic happiness wherein happiness is attainment of life purpose, meaning, challenge and personal growth. Happiness can be achieved by Income, Status, Health, Family, Social relationships, and positive emotions etc.

Although, there is a limitation with us on the part of access to cross country survey data, but, based on indicators associated with happiness we have developed happiness index more suitable to Indian way of life. We still feel something amiss in assigning India a rank of just 48 as per our exhaustive model of happiness. We also felt compelled to remove countries under military dictatorship from the model, lest the ranking becomes what the ‘(Ease of) Doing Business’ report was before the World Bank gave it a not so silent burial!

### HAPPINESS IS A SUBJECTIVE CONCEPT

- ◆ Happiness is an overall assessment of life and all its facets. According to psychological theories, Happiness can be achieved by Income, Status, Health, Family, Social relationships, and positive emotions etc.
- ◆ We have developed our happiness index based on the Financial Happiness, Happiness related to work access and productivity, Mental Happiness, Happiness related to work life balance, and Happiness related to clean energy access.
- ◆ We have constructed Happiness Index and sub-indices through Principal Component Analysis.

### FINANCIAL HAPPINESS INDEX

- ◆ For the comparison of Financial Happiness, we have taken measures related to countries Gross Savings, Net savings and Private Credit Bureau coverage.
- ◆ Savings, and Access to credit on requirement are taken as measure of happiness in financial aspects. Data has been taken from World Bank World Development Indicators.
- ◆ On our Parameters, Qatar is among the top in 61 countries, and Greece is least happy on this parameter among these countries.
- ◆ India is ranked on 17th position in Financial Happiness Index.

### HAPPINESS RELATED TO ACCESS TO WORK AND PRODUCTIVITY

- ◆ For the comparison of Happiness related to work access and productivity, we have taken data of all three sectors (agri, industry and services).
- ◆ Crop Production Index is taken as measure of happiness of farmers. Ease of Doing Business is taken as measure of happiness of entrepreneurs and businesses. Human capital Index is taken as measure of productivity of population. Strength of legal rights index is taken as strength of institutions for supportive work environment. Unemployment rate is taken as measure of negative happiness for not able to find work. All these data is taken from World Bank World Development Indicators. Further, number of Public holidays is also taken as measure of happiness of people through leisure.
- ◆ On our Parameters, Singapore is among the top in 61 countries, and Iraq is least happy on this parameter among these countries.
- ◆ India is ranked on 45th position in Happiness related to access to work and productivity.

### MENTAL HAPPINESS

- ◆ For comparison of Mental happiness among countries, we have taken data of depression rate, and volunteering of time for altruism.
- ◆ On our Parameters, Indonesia is among the top in 61 countries, and Portugal is least happy on this parameter among these countries.
- ◆ India is ranked on 11th position in Mental Happiness Index.

### HAPPINESS RELATED TO WORK LIFE BALANCE

- ◆ For the work life balance happiness, data of only 28 countries of our sample is available from Euromonitor International. Therefore, work life balance happiness is not included during estimation of overall happiness index.
- ◆ For comparison of Work life balance across countries, we have taken data of Not acceptance of job if it negatively affects work life balance, flexibility in working hours, job security, able to retire before 65, and job giving sense of purpose.
- ◆ On our Parameters, India is at the top among 28 countries, and Japan is least happy on this parameter among these countries.

### OVERALL HAPPINESS INDEX

- ◆ For the construction of overall happiness index, we have taken all aforementioned measures of happiness under Financial Happiness, Happiness related to work access and productivity, Mental Happiness, and Happiness related to work life Balance.
- ◆ Further, in the overall index, we have also included access to clean fuels and technologies for cooking as a measure of happiness. Further, we have also included inflation rate as a measure of negative happiness on account of rising prices.
- ◆ On the basis of these variables, Australia is at the top among 61 countries, and Sudan is least happy on this parameter among these countries.
- ◆ In our ranking, After Australia, Top 10 countries in terms of happiness are USA, New Zealand, UK, Greece, Canada, Poland, Germany, Italy, and Finland.
- ◆ India is ranked on 48th position in Overall Happiness index.
- ◆ Further, Happiness Index report ranks Finland in top position in terms of happiness. In our analysis, Finland is at 10th position in terms of overall happiness.

Happiness Index											
	Common Happiness Rank			Financial Happiness Rank		Happiness related to Work Access and Productivity		Mental Happiness		Happiness Related to Work Life balance	
Country	WHR Rank	Our Rank	Rank Statistic	Rank	Rank Statistic	Rank	Rank Statistic	Rank	Rank Statistic	Rank	Rank Statistic
Australia	12	1	3.118	49	-1.184	3	2.338	48	-0.750	8	0.309
USA	15	2	3.090	55	-1.612	4	2.157	41	-0.453	6	0.622
New Zealand	10	3	2.831	50	-1.189	2	2.418	30	-0.120	11	0.104
UK	19	4	2.520	60	-2.152	6	1.930	23	0.136	13	-0.139
Greece	58	5	2.189	61	-2.600	42	-0.317	60	-1.718	23	-1.052
Canada	13	6	2.167	54	-1.528	8	1.635	21	0.286	7	0.438
Poland	39	7	2.000	46	-1.044	11	1.460	42	-0.456	24	-1.085
Germany	16	8	1.986	35	-0.338	9	1.556	52	-0.939	21	-0.793
Italy	33	9	1.844	52	-1.442	31	0.350	57	-1.274	25	-1.446
Finland	1	10	1.826	37	-0.448	15	1.277	54	-1.161	-	-
Czech Republic	18	11	1.785	36	-0.419	10	1.489	47	-0.642	26	-1.638
Slovak Republic	29	12	1.715	51	-1.253	23	0.815	51	-0.902	-	-
Sweden	6	13	1.686	29	-0.118	13	1.389	50	-0.829	17	-0.601
Ireland	14	14	1.618	12	1.175	5	1.957	17	0.398	-	-
Hungary	51	15	1.550	32	-0.187	17	1.205	58	-1.349	27	-2.201
Israel	4	16	1.524	39	-0.522	16	1.245	32	-0.198	-	-
Japan	47	17	1.468	45	-1.030	18	1.186	28	-0.051	28	-2.838
Norway	7	18	1.358	23	0.106	14	1.280	25	0.063	9	0.179
Portugal	56	19	1.317	43	-1.003	36	0.095	61	-2.238	22	-0.972
Spain	32	20	1.239	31	-0.164	27	0.643	56	-1.237	19	-0.782
Belgium	17	21	1.211	27	-0.064	12	1.456	35	-0.229	15	-0.558
Croatia	48	22	1.096	21	0.300	19	1.112	59	-1.572	-	-
France	21	23	1.084	33	-0.279	20	0.942	22	0.175	20	-0.783
Denmark	2	24	1.078	15	0.820	7	1.656	44	-0.494	12	0.064
Singapore	25	25	1.073	6	2.420	1	2.429	27	-0.049	14	-0.180
Netherlands	5	26	1.045	22	0.188	24	0.786	24	0.063	18	-0.731
UAE	26	27	1.020	26	-0.053	22	0.822	49	-0.754	-	-
Mexico	36	28	0.902	44	-1.007	25	0.776	13	0.693	4	1.805
Chile	35	29	0.857	47	-1.085	41	-0.187	53	-1.014	16	-0.566
Brazil	49	30	0.849	58	-1.989	53	-1.662	55	-1.234	5	1.615
Jordan	123	31	0.740	53	-1.499	33	0.249	38	-0.424	-	-
Mauritius	59	32	0.727	42	-0.803	21	0.884	19	0.322	-	-
Bahrain	42	33	0.461	25	0.042	35	0.132	34	-0.229	-	-
Malaysia	55	34	0.446	48	-1.096	32	0.340	9	0.882	3	2.282
South Africa	85	35	0.412	59	-2.020	50	-1.598	18	0.322	-	-
Luxembourg	9	36	0.406	30	-0.136	37	0.044	40	-0.451	10	0.136
Malta	37	37	0.304	11	1.208	26	0.649	46	-0.605	-	-
Kazakhstan	44	38	0.110	19	0.685	29	0.536	37	-0.348	-	-
Ecuador	74	39	0.081	40	-0.569	44	-0.877	16	0.431	-	-
Thailand	60	40	-0.070	18	0.702	28	0.599	31	-0.125	-	-
Bhutan	.	41	-0.236	24	0.082	40	-0.054	15	0.438	-	-
Vietnam	65	42	-0.513	28	-0.071	30	0.498	10	0.840	-	-
Kenya	111	43	-0.540	57	-1.797	34	0.208	3	2.329	-	-
Uzbekistan	54	44	-0.623	8	1.416	39	0.008	33	-0.200	-	-
Kuwait	.	45	-0.991	14	1.036	48	-1.527	39	-0.451	-	-
China	64	46	-1.244	7	2.369	38	0.023	12	0.767	2	3.414
Maldives	.	47	-1.358	34	-0.299	47	-1.460	8	0.993	-	-
<b>India</b>	<b>126</b>	<b>48</b>	<b>-1.374</b>	<b>17</b>	<b>0.761</b>	<b>45</b>	<b>-0.883</b>	<b>11</b>	<b>0.805</b>	<b>1</b>	<b>5.396</b>
Saudi Arabia	30	49	-1.398	10	1.360	54	-1.741	43	-0.459	-	-
Egypt	121	50	-1.441	41	-0.780	56	-1.803	36	-0.240	-	-
Indonesia	84	51	-1.551	16	0.789	43	-0.640	1	3.925	-	-
Qatar	.	52	-1.765	1	3.551	46	-1.034	45	-0.562	-	-
Ghana	107	53	-2.238	38	-0.509	51	-1.620	6	1.139	-	-
Zimbabwe	134	54	-2.584	56	-1.772	49	-1.529	20	0.320	-	-
Sri Lanka	112	55	-2.795	20	0.434	55	-1.758	5	1.547	-	-
Phillipines	76	56	-3.135	13	1.162	52	-1.652	2	2.585	-	-
Iraq	98	57	-3.783	5	2.424	61	-3.744	26	-0.016	-	-
Ethiopia	124	58	-3.787	9	1.361	58	-2.859	29	-0.118	-	-
Bangladesh	118	59	-4.537	3	2.711	59	-2.900	14	0.549	-	-
Nepal	78	60	-4.771	2	3.350	57	-1.987	4	2.027	-	-
Sudan	.	61	-5.112	4	2.639	60	-3.445	7	1.104	-	-

Source: SBI Research

**Disclaimer:** The Ecowrap is not a priced publication of the Bank. The opinion expressed is of Research Team and not necessarily reflect those of the Bank or its subsidiaries. The contents can be reproduced with proper acknowledgement. The write-up on Economic & Financial Developments is based on information & data procured from various sources and no responsibility is accepted for the accuracy of facts and figures. The Bank or the Research Team assumes no liability if any person or entity relies on views, opinion or facts & figures finding in Ecowrap.

**Contact Details:**

Dr. Soumya Kanti Ghosh  
Group Chief Economic Adviser  
State Bank of India, Corporate Centre  
M C Road, Nariman Point, Mumbai - 400021  
Email: soumya.ghosh@sbi.co.in, gcea.erd@sbi.co.in  
Phone:022-22742440  
🐦 : kantisoumya