

Measuring Happiness Beyond GDP: A Comparative Study of Five Asian Nations

Janya Phlaphongphanich

Bangkok Patana School

DOI: 10.46609/IJSSER.2025.v10i07.024 URL: <https://doi.org/10.46609/IJSSER.2025.v10i07.024>

Received: 13 July 2025 / Accepted: 20 July 2025 / Published: 28 July 2025

ABSTRACT

This research paper estimates and compares happiness levels in five Asian countries - Thailand, India, Sri Lanka, Bhutan and Vietnam. The Happiness Index is based on five variables: economic stability, health, education and growth, trust in government, and social well-being. Data was sourced from publicly available international indicators and normalized using Min-Max scaling to ensure comparability across countries. Each variable was then weighted based on its relevance to overall well-being.

The study found that Bhutan scored the highest, followed by Sri Lanka and Thailand, while India ranked lowest. These results highlight the influence of non-economic factors such as public trust, health, and social well-being on national happiness. Ultimately, this paper emphasizes the importance of adopting holistic measures of happiness to move beyond GDP as the sole indicator of progress.

The Happiness Index offers a way for governments to understand what truly matters to people and design better policies that improve real lives—not just economic figures.

1. Introduction

Happiness is increasingly recognized not as a fleeting emotion, but as a sustained sense of fulfilment, connection, and belonging (OECD, 2011; Ura et al., 2012). Traditionally, Gross Domestic Product (GDP) has been used as the primary indicator of national progress and, by extension, well-being. However, GDP measures only economic output and fails to capture the broader human experience. While economic growth may contribute to improved living conditions, it does not necessarily translate into greater happiness or life satisfaction (Boarini et al., 2015).

In Thailand, economic and development indicators—such as GDP growth and reductions in poverty rates—have long been used to evaluate national success. Yet these metrics often overlook the deeper, more personal dimensions of well-being that matter to individuals and communities. The country's inconsistent performance in global happiness rankings underscores this disconnect (OECD, 2024). In response, this study proposes a more holistic framework for understanding happiness in the Thai context. It focuses on five key variables: economic stability, health, education and growth, trust in government, and social well-being. Together, these factors offer a more comprehensive and culturally relevant picture of what happiness means in Thailand—a nation rooted in community, tradition, and shared values.

Drawing on secondary data sources, we constructed a composite happiness score at the national level. This quantitative approach not only enhances feasibility and comparability, but also equips governments and policymakers with a clear and actionable overview of the country's well-being. By presenting the data as a single score, areas requiring improvement become easier to identify, prioritize, and address through targeted policy interventions.

Although the project began with a focus on Thailand, it quickly became clear that evaluating its score in isolation would limit its impact. As such, we broadened the scope to include four additional Asian countries, offering a comparative lens through which to better understand Thailand's position. These countries include India, a rapidly growing and technologically advancing economy; Sri Lanka, the highest-ranked South Asian nation on the Human Development Index (HDI); Bhutan, known globally for its Gross National Happiness (GNH) philosophy (Thinley, 2007); and Vietnam, an emerging economy experiencing dynamic social and economic shifts.

By evaluating these five countries side by side, the study offers insight into how different socio-economic and cultural contexts shape national happiness—and how this knowledge can inform more empathetic, inclusive, and effective policy design across the region.

To develop this framework and validate our approach, it was essential to first explore existing literature on happiness indices, well-being measurements, and related policy applications. This review examines prior research on both global and regional models of happiness assessment, including the limitations of GDP as a sole indicator, the emergence of multidimensional well-being indices, and country-specific initiatives such as Bhutan's Gross National Happiness (GNH). Additionally, we analyzed the methodologies used by international frameworks like the OECD Better Life Index and the World Happiness Report, with a particular focus on their relevance to the Thai and broader Asian context.

The following section outlines key findings from these sources and highlights the theoretical foundations that informed the construction of our five-variable happiness index.

2. Literature Review

Bhutan's Gross National Happiness (GNH) framework presents a multidimensional approach to measuring national progress. It evaluates well-being across nine domains including psychological well-being, health, and good governance. The framework uses the Alkire-Foster method and 124 indicators to assess well-being.

Individuals are deemed "happy" if they meet sufficiency in more than two-thirds of these indicators (Ura et al., 2012). This approach highlights the importance of integrating both subjective and objective indicators in policy.

Bhutan's GNH model also includes four guiding pillars: equitable development, cultural preservation, environmental protection, and good governance. These pillars align national policy with public well-being. Participatory processes, including citizen feedback and cultural values, are central to its design. This makes it a viable model for inclusive development (Thinley, 2007).

The OECD's Better Life Index emphasizes fairness and distribution. Its revised index includes both macro and micro-level data, allowing for better insight into how well-being is shared across populations. This approach illustrates the need for equity-focused evaluation tools (Boarini et al., 2015).

OECD's 2024 report "How's Life?" shows how post-pandemic conditions have affected well-being, especially among youth and vulnerable populations. It highlights emerging risks like social isolation and environmental degradation, reinforcing the call for resilient and people-centered policy (OECD, 2024).

The OECD's Better Life Index survey identifies health, education, and life satisfaction as top well-being dimensions. It also reveals demographic-based differences in priorities. For example, men often prioritize income and jobs, while women value community and work-life balance. These findings support participatory data as a valuable tool for policy making (Exton and Shinwell, 2018).

In the domain of health, Bhutan's free universal healthcare system plays a major role in enhancing well-being and equity. The country has resisted healthcare privatization in order to uphold accessibility and sustainability. This demonstrates how health policy can integrate with broader well-being strategies (Sithey et al., 2015).

The OECD’s Better Life Initiative proposes using both subjective and objective indicators across 11 life dimensions. These include income, housing, environment, and work-life balance. The framework advocates for disaggregated, timely data and provides a robust model for shifting policy beyond GDP alone (OECD, 2011).

2.1. Research Objectives

This study aims to:

1. Calculate a composite Happiness Index for each country using normalized data and weighted indicators across five dimensions: economic stability, health, education & growth, trust in government, and social well-being.
2. Compare the scores across five countries to identify key contributors to happiness and areas of weakness.
3. Analyze how cultural, economic, and political contexts influence the distribution of well-being outcomes.
4. Evaluate the effectiveness of the Happiness Index as a more holistic and actionable measure of progress than GDP.

3. Data and Methodology

3.1. Data Collection and Sources

The dataset comprises five countries: Bhutan, Thailand, Vietnam, Sri Lanka, and India. The variables used in the Happiness Index calculation were collected from the following sources given in **Table 1**:

Table 1: Data Sources

Variable	Description	Source
Economic Stability	GDP per capita and household income levels	WDI “GDP per capita” “Household income”
Health	Combination of healthy life expectancy and infant mortality rate	WDI, WHO “life expectancy” “Infant mortality rate

Education & Growth	Access to quality education and employment opportunities	WDI “literacy rates” “primary education total level”
Trust in Government	Public trust in governance and national stability	Transparency
Social Well-being	Cultural cohesion and societal harmony	SolAbility - Social Capital Index

3.2. Normalization of Data

To ensure comparability across countries, all variables were normalized using **Min-Max Scaling**¹, which transforms values onto a standard scale from 0 to 1. This allows indicators with different units or ranges to be compared meaningfully within the index.

The formula applied is:

$$\text{Normalized Score} = (\text{Actual Value} - \text{Min Value}) / (\text{Max Value} - \text{Min Value})$$

For negative indicators such as Infant Mortality Rate (IMR), an inverse transformation was used before averaging it with Healthy Life Expectancy to form the Health variable:

$$\text{Health} = [(\text{Life Expectancy}) + (1 - \text{Normalized IMR})] / 2$$

This ensures that higher values consistently indicate better well-being.

3.3. Weighting of Variables

The Happiness Index calculation assigns specific weights to each dimension, as shown in **Table 2**:

The Happiness Index assigns weights to each dimension based on their importance in global well-being research. Health, education, and social well-being received higher weights due to

¹ Min-Max Scaling is a common normalization technique in data analysis. It rescales a variable's values so the minimum becomes 0 and the maximum becomes 1. This prevents variables with larger numeric ranges from dominating composite indices.

their strong association with life satisfaction (Exton & Shinwell, 2018; OECD, 2024). Economic stability was weighted moderately, reflecting evidence that income alone does not ensure happiness (OECD, 2011). Trust in government was also included, as it influences national confidence and social cohesion (Boarini et al., 2015).

Table 2: Weights Assignment

Indicator	Weight (%)
Economic Stability	20%
Health	25%
Education & Growth	25%
Trust in Government	15%
Social Well Being	25%

Source: Literature review

3.4. Happiness Index Calculation

Each dimension's raw score was first normalized on a scale from 0 to 1 using Min-Max scaling. The normalized values were then multiplied by their corresponding weights (expressed as decimals, e.g. 25% = 0.25) to reflect their relative contribution to well-being. The weighted scores were summed across all five variables. Finally, the result was multiplied by 100 to express the Happiness Index as a percentage for easier comparison across countries.

The final Happiness Index for each country is computed using:

$$\text{Happiness Index (\%)} = \sum(\text{Normalized Score} \times \text{Weight}) \times 100^2$$

² For example, Thailand's calculation is as follows:

$$\Rightarrow \text{Economic Stability: } 0.20 \times 0.6066 = 0.1213$$

4. Analysis and Findings

4.1. Country-Level Scores by Variable

The data points for each country across different dimensions are presented in **Table 3** and **Figure 1**:

Table 3: Data points for each country across different dimensions

Country	Economic Stability	Health	Education & Growth	Trust in Government	Social Well-being
India	0.2113	0.5950	0.8021	0.5882	0.4160
Bhutan	1.0000	0.9450	0.7500	1.0000	0.4938
Sri Lanka	0.9596	1.0000	0.9583	0.5441	0.4903
Vietnam	0.3906	0.9610	1.0000	0.5735	0.4937
Thailand	0.6066	0.9870	0.9688	0.5147	0.4465

Source: Author's calculations

⇒ Health: $0.25 \times 0.9870 = 0.2468$

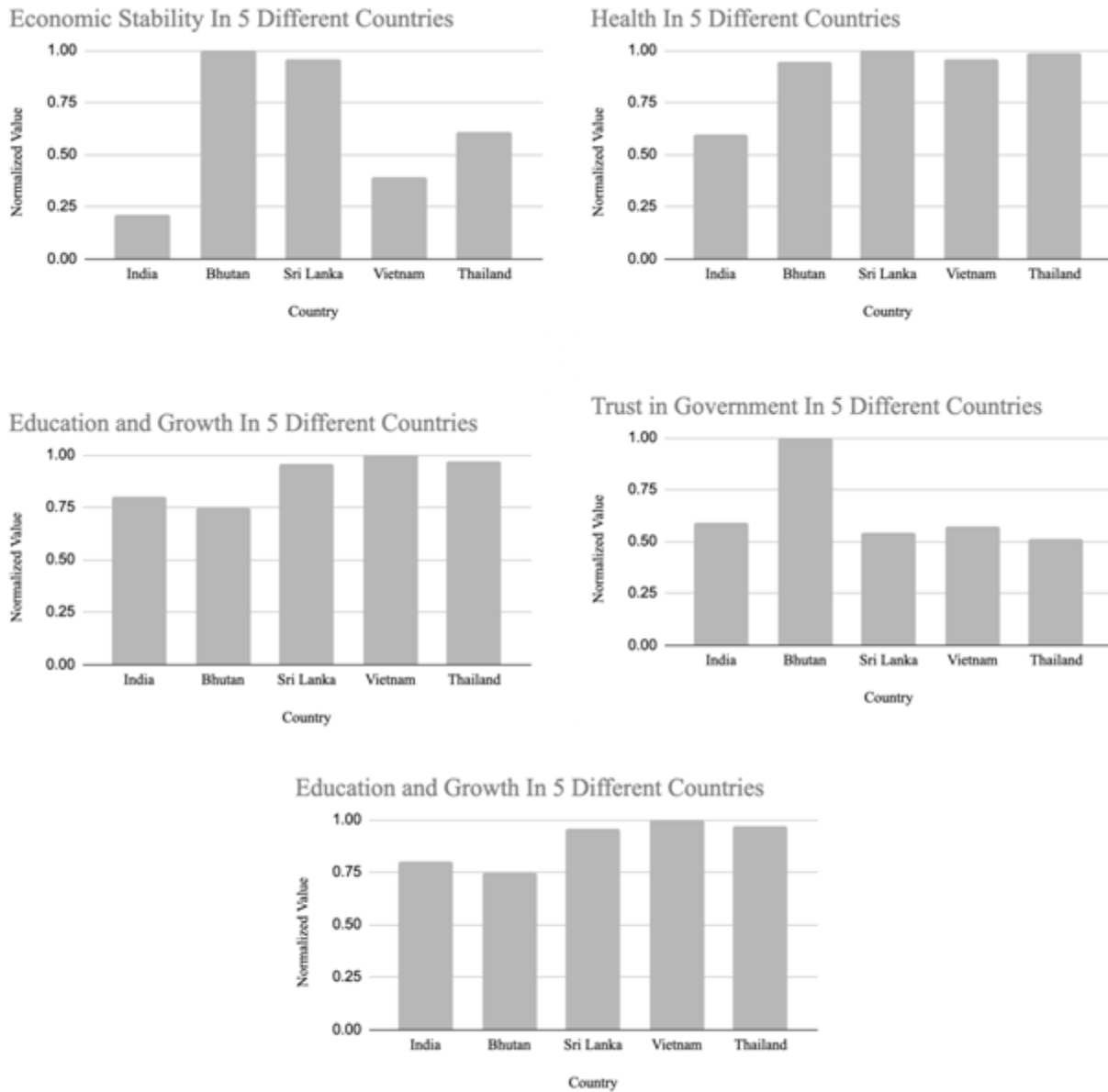
Education & Growth: $0.25 \times 0.9688 = 0.2422$

⇒ Trust in Government: $0.15 \times 0.5147 = 0.0772$

⇒ Social Well-Being: $0.25 \times 0.4465 = 0.1116$

Summing these weighted scores results in Thailand's Happiness Index of 79.91%.

Figure 1: Data points for each country across different dimensions



Source: Author's calculations

4.2. Overall Happiness Index Calculation

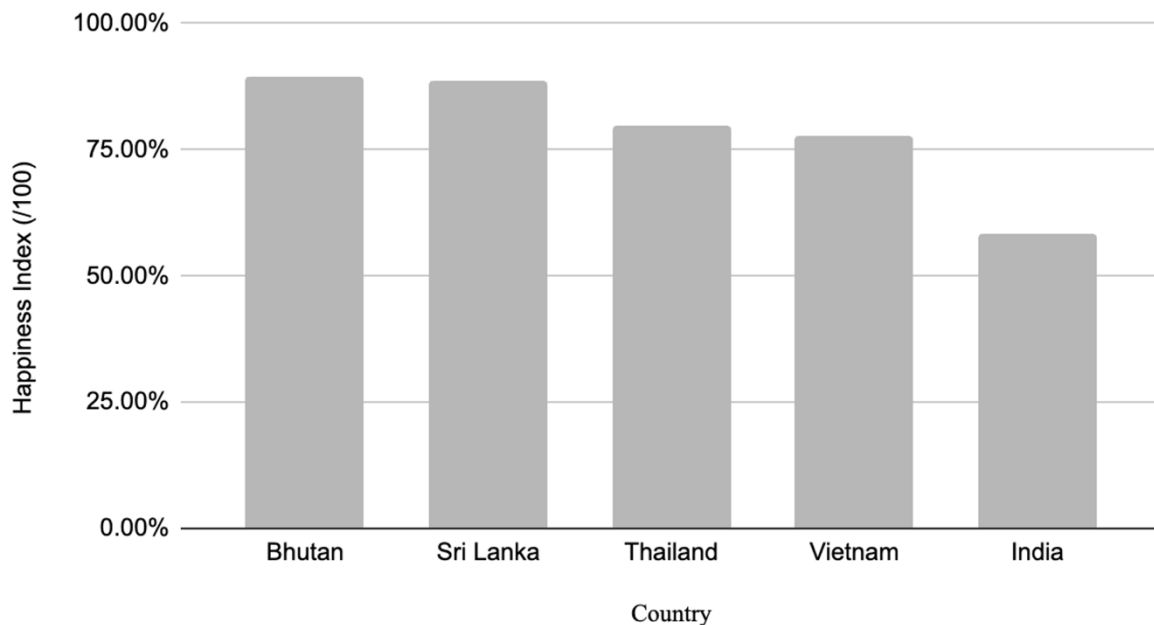
The calculated Happiness Index scores for the selected countries are presented in **Table 4** and **Figure 2**:

Table 4: Happiness Index scores for the selected countries

Country	Happiness Index (%)
Bhutan	89.56%
Sri Lanka	88.56%
Thailand	79.91%
Vietnam	77.78%
India	58.37%

Source: Author's calculations

Figure 2: Happiness Index scores for the selected countries



Source: Author's calculations

4.3 Summary of findings

The results from this study demonstrate how different variables contribute to overall Happiness Index scores across the five countries analyzed. Bhutan received the highest score at 89.56%, followed by Sri Lanka at 88.56%, Thailand at 79.91%, Vietnam at 77.78%, and India at 58.37%. Bhutan's score reflects consistently high values across all measured dimensions, including health, education, trust in government, and social well-being. India's lower score is associated with relatively lower values in economic stability and social well-being.

Across the dataset, health and education emerged as the strongest contributors to higher overall scores, with all countries performing relatively well in these areas. Variability in trust in government and economic stability corresponded with wider differences in the final Happiness Index scores. These patterns offer a comparative overview of the relative strengths and weaknesses of each country across the selected indicators.

5. Conclusion

This study developed and applied a comprehensive Happiness Index to five Asian countries—Bhutan, Sri Lanka, Thailand, Vietnam, and India—to explore a broader understanding of national well-being beyond traditional economic indicators like GDP. By incorporating five key variables—economic stability, health, education and growth, trust in government, and social well-being—the index provides a multidimensional perspective on happiness that is culturally relevant and policy-informing.

The findings reveal significant differences across countries, largely driven by variations in governance, social cohesion, and public trust. Bhutan's top ranking illustrates the strength of values-based governance, with its Gross National Happiness philosophy emphasizing equitable development, cultural preservation, and good governance. Sri Lanka and Thailand's high scores reflect robust health and education systems, while India's lower ranking highlights the limitations of GDP growth in isolation, particularly where trust and social well-being remain weak.

These results reinforce the importance of adopting a more balanced and human-centered framework for measuring progress—one that integrates not only economic performance but also quality of life, inclusivity, and societal harmony. The Happiness Index offers governments a practical tool to identify gaps and target interventions in areas often neglected by conventional development models, such as public trust or community cohesion.

Ultimately, happiness is not just an emotion—it is a way of life shaped by governance, equity, and shared values. A well-designed happiness framework allows for more inclusive, empathetic,

and effective policymaking that better reflects the lived realities of citizens. While this study was limited by its reliance on secondary data and objective indicators, future research could expand the model across more countries and incorporate subjective well-being metrics for greater depth and generalizability.

References

Decancq, K. (2015). Towards a Distribution-Sensitive Better Life Index. *OECD Statistics Working Papers, STD/DOC(2015)7(7)*. <https://doi.org/10.1787/5jrqqpx9xh8q-en>

OECD. (2024). *How's Life? 2024*. OECD. https://www.oecd.org/en/publications/2024/11/how-s-life-2024_bdcf2f9f.html

OECD. (2025). *How's Life?* OECD. https://www.oecd.org/en/publications/serials/how-s-life_g1g317ee.html

Sithey, G., Thow, A.-M., & Li, M. (2015). Gross national happiness and health: lessons from Bhutan. *Bulletin of the World Health Organization*, 93(8), 514–514. <https://doi.org/10.2471/blt.15.160754>

Thinley, J. (2007). *What is Gross National Happiness?* <https://www.uwosh.edu/sirt/wp-content/uploads/sites/86/2020/04/4.Re-thinkingdev.pdf>

Ura, K., Alkire, S., & Zangmo, T. (2012). *GNH and GNH Index: A Short Guide to Gross National Happiness Index | OPHI*. Ophi.org.uk. <https://ophi.org.uk/publications/GNH-and-GNH-Index-Short-2012>

What matters the most to people? (2025). OECD. https://www.oecd.org/en/publications/what-matters-the-most-to-people_edf9a89a-en.html