

Understanding India's Happiness Paradox: Insights from the World Happiness Report 2025

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ABSTRACT

This paper analyzes India's ranking in the World Happiness Report 2025, highlighting strengths such as generosity and healthy life expectancy, and weaknesses such as social support and freedom of choice. Economic growth, social support, and cultural values contribute to happiness, while challenges such as inequality, poverty, and environmental degradation hinder progress. Policymakers should prioritize policies promoting well-being and use the findings to identify areas for improvement. To enhance the happiness and well-being of individuals, further research is necessary to comprehend the factors influencing happiness changes in India, including social, cultural, and institutional aspects.

Key Words: Happiness, Income, Social Factors, World Happiness Report, India

1. Introduction

The World Happiness Report is an annual publication by the United Nations Sustainable Development Solutions Network that measures happiness levels and well-being across countries worldwide. The report evaluates factors such as income, social support, life expectancy, freedom to make life choices, generosity, and perceptions of corruption to calculate an overall score that ranks countries based on their levels of happiness. While some countries have consistently remained at the top of the list, India's ranking in the World Happiness Report has been an area of concern in recent years due to a decline in its position. According to the 2025 World Happiness Report, India's ranking has improved from 126 to 118, which is a positive development. However, India's ranking is still lower than its neighboring countries such as Nepal, China, and Bangladesh, raising questions about why the country's ranking remains low despite its status as the world's fastest-growing economy. The World Happiness Report 2025 provides an important benchmark for policymakers in India to evaluate the effectiveness of policies and interventions aimed at promoting happiness and well-being among citizens. India is a country with a diverse

population and a complex socio-economic landscape, where achieving happiness and well-being can be challenging. Therefore, understanding the factors that contribute to India's ranking in the report and identifying areas where the country has made progress is significant.

The significance of this study lies in its ability to provide policymakers with a better understanding of the challenges that India faces in promoting happiness and well-being. The report's methodology allows for the identification of the factors that have the greatest impact on happiness levels, which can inform the development of policies and interventions that target these areas. Moreover, the report's annual publication allows for the monitoring of progress over time, providing policymakers with valuable feedback on the effectiveness of policies and interventions. This article aims to explore the policy implications of India's ranking in the World Happiness Report 2025 and identify opportunities for improvement. India's ranking in the World Happiness Report is also significant because of its impact on the country's international reputation. A higher ranking in the report can contribute to increased foreign investment, improved international relations, and a stronger global identity. Furthermore, the study of happiness and well-being is an important aspect of human development, and promoting happiness and well-being should be a key priority for all countries. Therefore, this study's significance extends beyond India and can serve as a model for other countries to follow in their pursuit of happiness and well-being. Therefore, the study's findings and recommendations can have far-reaching implications beyond the country's domestic policies.

The subsequent sections of this paper are organized into five sub-sections. Firstly, the study evaluates the methodological issues surrounding the calculation of happiness. Secondly, the paper examines India's performance in the World Happiness Report. Thirdly, the paper explores the factors affecting happiness in India. Fourthly, the paper delves into the challenges to happiness in India. Finally, the paper discusses the implications for policy.

2. Methodological issues

The World Happiness Report measures happiness levels by using the Cantril Ladder, a scale that asks individuals to rate their life satisfaction on a scale from 0 to 10. The report also considers several other factors that contribute to happiness, including GDP per capita, social support, life expectancy, freedom to make life choices, generosity, and perceptions of corruption. The data for the report is collected through a Gallup World Poll, which surveys individuals in each country to measure their life satisfaction and assess the other happiness factors. The data is then analyzed using statistical methods to calculate each country's overall happiness score. However, there are several limitations to this methodology that may be relevant to the Indian context. One limitation is that the survey only captures subjective well-being and does not necessarily reflect objective measures of well-being, such as poverty or access to healthcare. India has a large population

living in poverty, and this may not be adequately reflected in the happiness scores. Another limitation is that the survey may not be representative of all segments of the Indian population. For example, rural areas and marginalized communities may not be adequately represented in the survey, which may skew the results. Additionally, cultural and language barriers may also affect the accuracy of the data. Furthermore, the report does not consider several factors that may be relevant to the Indian context, such as caste discrimination and gender inequality, which can have a significant impact on well-being. In short, while the World Happiness Report's methodology provides valuable insights into global happiness levels, it is important to consider its limitations when interpreting the results for the Indian context.

3. India's performance in the World Happiness Report 2025

India's ranking in the World Happiness Report 2025 has shown improvement from its past rankings. In 2021, India was ranked 139th out of 149 countries, which was a significant decline from its position in 2019 when it ranked 140th. However, in 2022, India's ranking slightly improved to 136th, and in the latest report, it has further improved to 118th. Despite the improvement, India's ranking remains lower than its neighboring countries such as Nepal, China, and Bangladesh. The drop in rank highlights the challenges India faces in promoting happiness and well-being among its citizens. India's score on the various happiness factors varied across the different dimensions. In terms of GDP per capita, India ranked 114th, while in social support, it ranked 132st. In healthy life expectancy, it ranked 104th, and in freedom to make life choices, it ranked 119th. In generosity, it ranked 78th, and in perceptions of corruption, it ranked 85th. Compared to other countries in the region, India's ranking is lower than many of its neighbors. Bhutan, which is known for prioritizing happiness as a key measure of progress, ranked 14th in the report. Sri Lanka ranked 127th, Pakistan ranked 104th, and Bangladesh ranked 100st. In terms of global rankings, India's score is below the global average, which was 5.55 out of 10.

The strengths of India's performance in the report include its relatively high score in generosity, which suggests that Indians are willing to help others in need. Additionally, India's score on healthy life expectancy, while low, has improved over the past decade, indicating some progress in healthcare and public health policies. However, India's performance in social support and freedom to make life choices are weaknesses that need to be addressed. The low ranking in social support suggests that Indians may lack the necessary support networks to cope with stress and adversity. The low ranking in freedom to make life choices highlights the constraints that Indians face in their daily lives, including restrictions on personal and political freedoms. Overall, India's performance in the World Happiness Report highlights the need for policies and interventions that promote social support, greater freedoms, and improved well-being for all citizens.

4. Factors affecting happiness in India

The theory and literature on happiness extensively document the determinants of happiness at both national and individual levels. The Easterlin paradox, introduced by Easterlin in 1974, challenges the simplistic assumption that higher income directly corresponds to greater happiness. While income and material well-being are recognized as vital elements of happiness, the long-term correlation between them remains elusive (Easterlin, 1974). The relative income theory suggests that individuals evaluate their happiness not only based on their own income but also in comparison to others around them (Easterlin, 1995). Additionally, the adaptation perspective posits that individuals habituate to changes in income, resulting in a diminishing impact on happiness over time. However, recent studies challenge the persistence of the Easterlin paradox by revealing a modest positive connection between income and happiness (Stevenson & Wolfers, 2008; Deaton, 2008). Beyond the income-happiness dynamic, socio-economic and demographic factors further contribute to a country's overall happiness (Helliwell & Huang, 2014; Frey & Stutzer, 2002; Nikolaev and Rusakov, 2016; Clark and Oswald, 1994; Becchetti et al., 2014).

There are several key factors that contribute to happiness in India, including economic growth, inequalities, social support, and cultural values. However, the impact of these factors has evolved over time and may continue to impact India's ranking in future World Happiness Reports. Economic growth is an important factor in promoting happiness in India. With the rise in income and job opportunities, people's living standards improve, and they can afford better healthcare, education, and basic necessities. However, India's economic growth has not translated into greater well-being for all its citizens. Income inequality remains a significant concern, with many Indians still living in poverty. Therefore, it is crucial for the government to implement policies that promote inclusive growth and reduce income inequality. Social support is another important factor that contributes to happiness in India. It refers to the support people receive from family, friends, and community members. India is known for its strong family values, and social support networks play a crucial role in people's lives. However, social support networks in India are evolving, with greater urbanization and changes in family structures. Thus, there is a need to develop policies that support these evolving social networks. Cultural values also play a significant role in promoting happiness in India. India is known for its diverse cultural traditions and religious practices, which provide a sense of identity and belonging to its citizens. However, cultural values are also evolving, with greater exposure to Western cultures and globalization. Therefore, it is important to strike a balance between preserving cultural values and embracing new ideas and practices.

Several studies have explored the determinants of happiness in India. The study by Ranganathan and Yadav (2020) and found that economic growth is positively correlated with happiness in

India. The authors suggest that economic growth provides people with greater opportunities and resources to improve their quality of life. However, it is important to note that income inequality remains a significant issue in India, as highlighted in the studies by Azad and et al (2024), Lakshmanasamy and Maya (2020) and Gupta and Singh (2017). Lakshmanasamy (2022) discovered that individuals in India exhibit a greater sensitivity to social comparison than to absolute income, with the ordinal comparison being more influential than the cardinal comparison in the assessment of happiness. An improvement in rank position within the reference group holds relatively more significance for individuals with average happiness levels than for those at the extremes of the happiness distribution. In a related study, Singh K, et al. (2022) revealed that happiness in India is subjectively linked to felt emotions of peacefulness, calmness, and contentment, which have been characterized as "low arousal emotions." Despite the country's economic growth, many people in India still live in poverty, and addressing this issue is crucial in promoting happiness and well-being for all citizens. Therefore, policies that promote inclusive growth and reduce income inequality are crucial for promoting happiness and well-being in India. Social support networks play an essential role in promoting happiness in India. According to the study by Bhaduri and Saha (2015), social support is positively correlated with subjective well-being in India. Family and community networks are particularly crucial in providing social support to individuals in India. However, as noted in the study by N. Rangaswamy and R. P. Vashist (2018), social support networks are evolving in India, with greater urbanization and changes in family structures. Thus, policies that support these evolving social networks are needed to promote happiness and well-being in India. Cultural values also play a significant role in promoting happiness in India. According to the study by Gupta and Kumar (2015), cultural values provide a sense of identity and belonging to citizens in India, which is essential for their well-being. However, as noted in the same study, cultural values are also evolving in India, with greater exposure to Western cultures and globalization. Therefore, policies that strike a balance between preserving cultural values and embracing new ideas and practices are crucial for promoting happiness and well-being in India. It is evident from the discussion that economic growth, social support, and cultural values are essential factors that contribute to happiness in India. However, these factors have evolved over time, and their impact on happiness may continue to change in the future. To improve India's ranking in future World Happiness Reports, it is essential to implement policies that promote inclusive growth, support evolving social networks, and strike a balance between preserving cultural values and embracing change.

5. Challenges to happiness in India

India faces several challenges in achieving higher levels of happiness, which are closely linked to issues of inequality, poverty, and environmental degradation. These challenges may impact

India's ranking in the future if they are not adequately addressed through appropriate policy interventions. One of the significant challenges to happiness in India is inequality. Income inequality is widespread, with a small percentage of the population owning a vast majority of the country's wealth. This inequality is linked to disparities in education, healthcare, and access to basic services, which can have a significant impact on people's happiness. Moreover, the impact of COVID-19 has further exacerbated these inequalities, with the pandemic affecting the poorest and most marginalized communities the most. Poverty is another significant challenge to happiness in India. Despite its economic growth, India still has a significant proportion of its population living below the poverty line. These individuals lack access to basic necessities such as food, shelter, and healthcare, which can impact their overall well-being and happiness. Moreover, poverty is closely linked to other social issues such as education, health, and gender equality, which can further compound the impact on people's happiness. Environmental degradation is also a challenge to happiness in India. Rapid industrialization and urbanization have resulted in severe environmental problems, such as air and water pollution, deforestation, and soil erosion. These issues have significant health implications and can impact people's happiness by reducing their quality of life. Moreover, the effects of climate change are likely to exacerbate these challenges in the future, with rising temperatures and natural disasters posing significant risks to people's lives and livelihoods. To address these challenges and improve India's ranking in future World Happiness Reports, policymakers need to focus on implementing targeted interventions that address inequality, poverty, and environmental degradation. Some potential policy interventions include implementing progressive tax policies, investing in education and healthcare, promoting sustainable development practices, and increasing access to clean energy. Additionally, there is a need to promote inclusive and participatory decision.

6. Implications for policy

India's ranking in the World Happiness Report provides valuable insights to identify areas of improvement and develop policies that promote happiness in India. Policymakers can use the report to gain an understanding of the factors that contribute to happiness and well-being in India and the areas where India lags behind other countries. They can then develop policies that target these areas and promote greater happiness and well-being among citizens. One implication of India's ranking is the need for policymakers to prioritize policies that address inequality and poverty. The report shows that India ranks low in social support, indicating that many citizens lack the necessary support networks to cope with stress and adversity. Policymakers can address this by implementing policies that provide social safety nets, such as unemployment benefits, healthcare, and education. Additionally, policies that promote greater income equality can also help reduce social inequalities and promote greater well-being. Another implication of India's ranking is the need for policies that promote greater freedom and personal choice. India ranks

low in the freedom to make life choices, suggesting that citizens may face constraints on their daily lives. Policymakers can address this by implementing policies that promote greater personal and political freedoms, such as reducing government intervention in personal choices and protecting civil liberties. India ranks low in mental health, which is a significant contributor to overall happiness and well-being. Policymakers can prioritize policies that improve mental health care and access to treatment by increasing the number of mental health professionals, providing greater access to affordable mental health services, and reducing the stigma surrounding mental health issues. Addressing gender inequality is crucial for improving happiness in India. The country ranks low in gender equality, with significant disparities between men and women in areas such as education, employment, and political representation. Policymakers can implement policies that promote greater opportunities and rights for women, such as enacting laws that protect women's rights, increasing access to education and employment opportunities, and advocating for greater political representation for women. Promoting social cohesion is crucial for ensuring the continued happiness of people, yet India ranks low in social support due to the lack of strong social networks and support systems. It can take steps to improve this situation by implementing policies that encourage community building and foster a sense of togetherness. For example, they can provide funding for community organizations and initiatives, promote volunteerism, and invest in infrastructure that supports community activities and gatherings. By taking these steps, policymakers can help create a more cohesive and supportive society, leading to greater happiness and well-being for all citizens.

Finally, the report highlights the need for policies that promote environmental sustainability. India ranks low in the perception of corruption and environmental quality, indicating that environmental degradation and corruption may be major concerns for citizens. Policymakers can combat corruption by implementing policies that promote transparency and accountability, enhancing government oversight and regulation of industries and sectors that are susceptible to corruption, and encouraging greater civic engagement and participation in government decision-making processes. By enacting these measures, policymakers can help to address corruption, promote good governance, and ultimately build trust between citizens and the government.

7. Conclusion

This paper has highlighted India's ranking in the World Happiness Report 2025 and the key factors influencing happiness in the country, as well as the challenges it faces in improving happiness levels. India's ranking of 118 out of 149 countries indicates the need for policies that foster social support, greater freedoms, and improved well-being for all citizens. While India has strengths in generosity and healthy life expectancy, weaknesses in social support and freedom of choice need to be addressed. Key factors that contribute to happiness in India include economic growth, social support, and cultural values. However, challenges such as inequality, poverty,

gender discrimination, freedom and personal choice, mental health, and environmental degradation may hinder progress towards higher levels of happiness. Policymakers can use the report to identify areas for improvement and develop policies that promote happiness in India. Future research should focus on the impact of cultural values, social support, income inequality, gender discrimination, corruption, and environmental degradation on well-being. India has made progress, but more work is needed to improve the happiness and well-being of its citizens. Therefore, policymakers must prioritize policies that promote happiness and well-being for all.

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