

Multidimensional Well-Being Measures as Policy Tools

Sabina Alkire, with Dasho Karma Ura (Bhutan)
and Fanni Kovesdi (OPHI)

16 Nov 2022, Univ of Oxford

Tabita, Kenya

Rabiya, India

Stephanie, Madagascar

Agathe, Madagascar

Dalma, Kenya

Ann-Sophie, Kenya

Valérie, Madagascar





4th King of Bhutan, 1970s

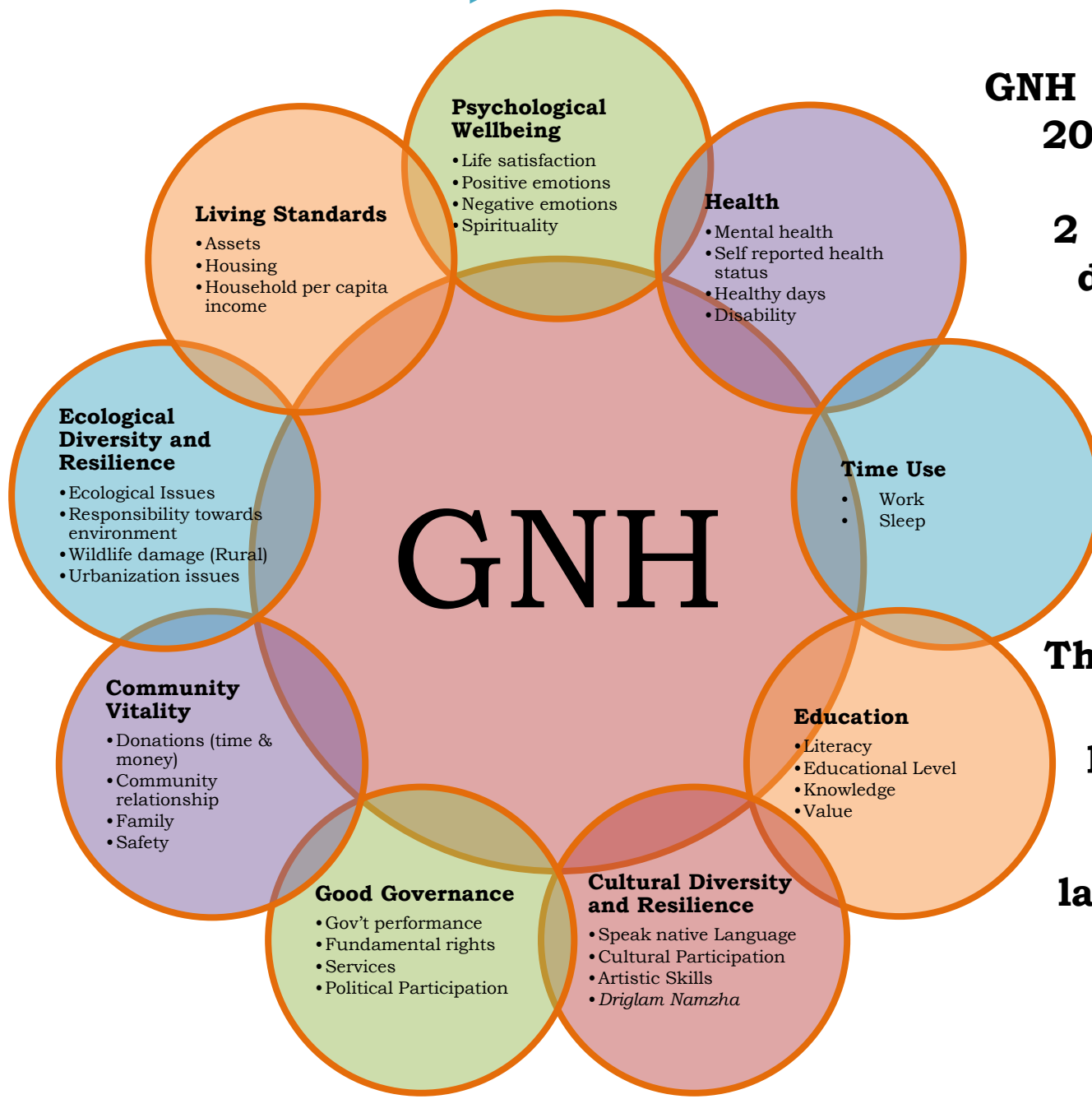
“Gross National Happiness is more important than Gross National Product.”



GNH: From Concept



To Measurement



**GNH Indicators
2010-2015**

**2 to 4 per
domain**

**They show
How
people
enjoy
or
lack GNH**



How much is enough?

The GNH Index uses two kinds of thresholds:

1. Sufficiency thresholds

2. Happiness Gradient

Sufficiency thresholds:

Shows how much a person needs in each of 33 indicators order to enjoy ‘sufficiency’ – how much is enough, normally, to create a happiness condition. Each GNH indicator has a sufficiency threshold - like 6 years of education, 1.5 x poverty line of income, etc



**Measuring
GNH starts
with a
personal
profile. In
which GNH
indicators
does each
person enjoy
sufficiency?**



Domain	Indicators	
Psychological wellbeing	Life satisfaction	
	Positive emotion	
	Negative emotion	
	Spirituality	
Health	Self-reported health	
	Number of healthy days	
	Disability	
	Mental health	
Time use	Work	
	Sleep	
Education	Literacy	
	Schooling	
	Knowledge	
	Value	
Cultural diversity & resilience	Artisan skills	
	Cultural participation	
	Speak native language	
	Driglam Namzha	
Good Governance	Political participation	
	Services	
	Governance performance	
	Fundamental rights	
Community vitality	Donation time & money	
	Safety	
	Community relationship	
	Family	
Ecological diversity & resilience	Wildlife damage	
	Urban issues	
	Environmental Resp.	
	Ecological issues	
Living Standard	Income	
	Assets	
	Housing	



Happiness Gradient

Three cross-domain happiness cutoffs identified are at

50%
50%-65%
66%-76%
77% or more



84% = **Deeply
happy**

This allows us to classify people into four groups, which we have called:

Unhappy - People who have achieved sufficiency in less than **50%**

Narrowly happy - People who have achieved sufficiency in **50%-65%**

Extensively happy - People who achieved sufficiency in **66%-76%**

Deeply happy - People who achieved sufficiency in **77% or more**



A person is ‘moderately or deeply happy’ if he/she achieves sufficiency in 6 or more of the 9 domains



How many hit the target?



**How can another know?
Happiness is deeply personal.
Any measure is imperfect.
It can only suggest whether
the causes and conditions
of GNH are present.**



2015 GNH Index	Achieving sufficiency in % of weighted indicators:	Percentage of people who are:
Deeply Happy	77%-100%	8.4%
Extensively Happy	66%-76%	35.0%
Narrowly Happy	50%-65%	47.9%
Unhappy	0-49%	8.8%



The GNH Index covers all people :

1. Moderately or Deeply happy

Percentage of people **43.4%**

2. Unhappy or narrowly happy:

Their average GNH score **57%**
(average % of domains in which they have
sufficiency)

GNH Index increases if any person becomes
happy, or any unhappy/narrowly happy attains
sufficiency in an indicator they lacked before.



$$GNH = H_H + (H_N \times A^{suf})$$

$$GNH \text{ Index} = 0.756$$

Where;

H_h = proportion of people (deeply happy + extensively happy = 43.4%)

H_n = proportion of (narrowly happy + unhappy = 100 - H_h = 56.6%)

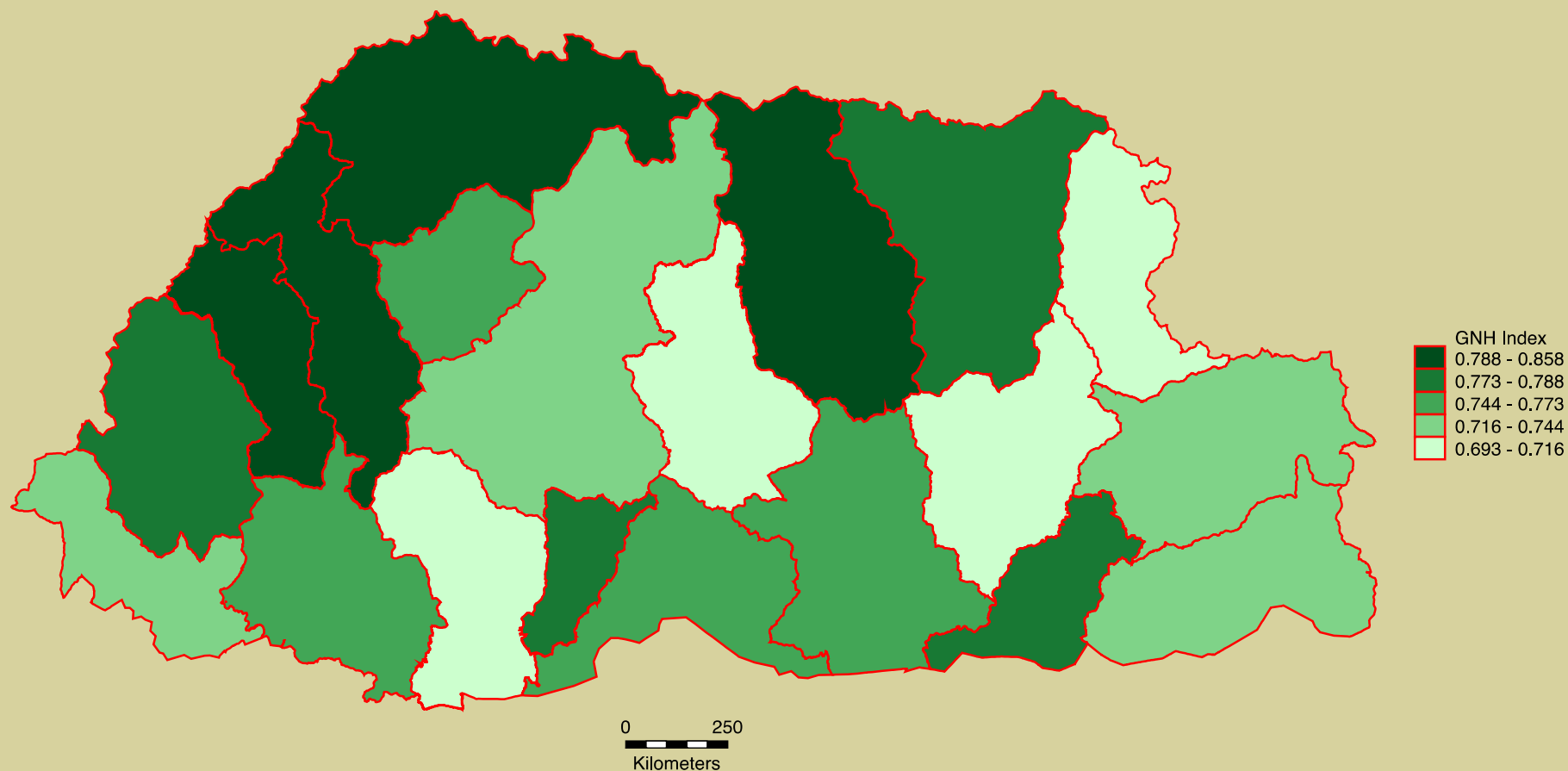
A_{sus} = Average sufficiency of (narrowly / unhappy people = 57%)



GNH across Bhutan's Districts

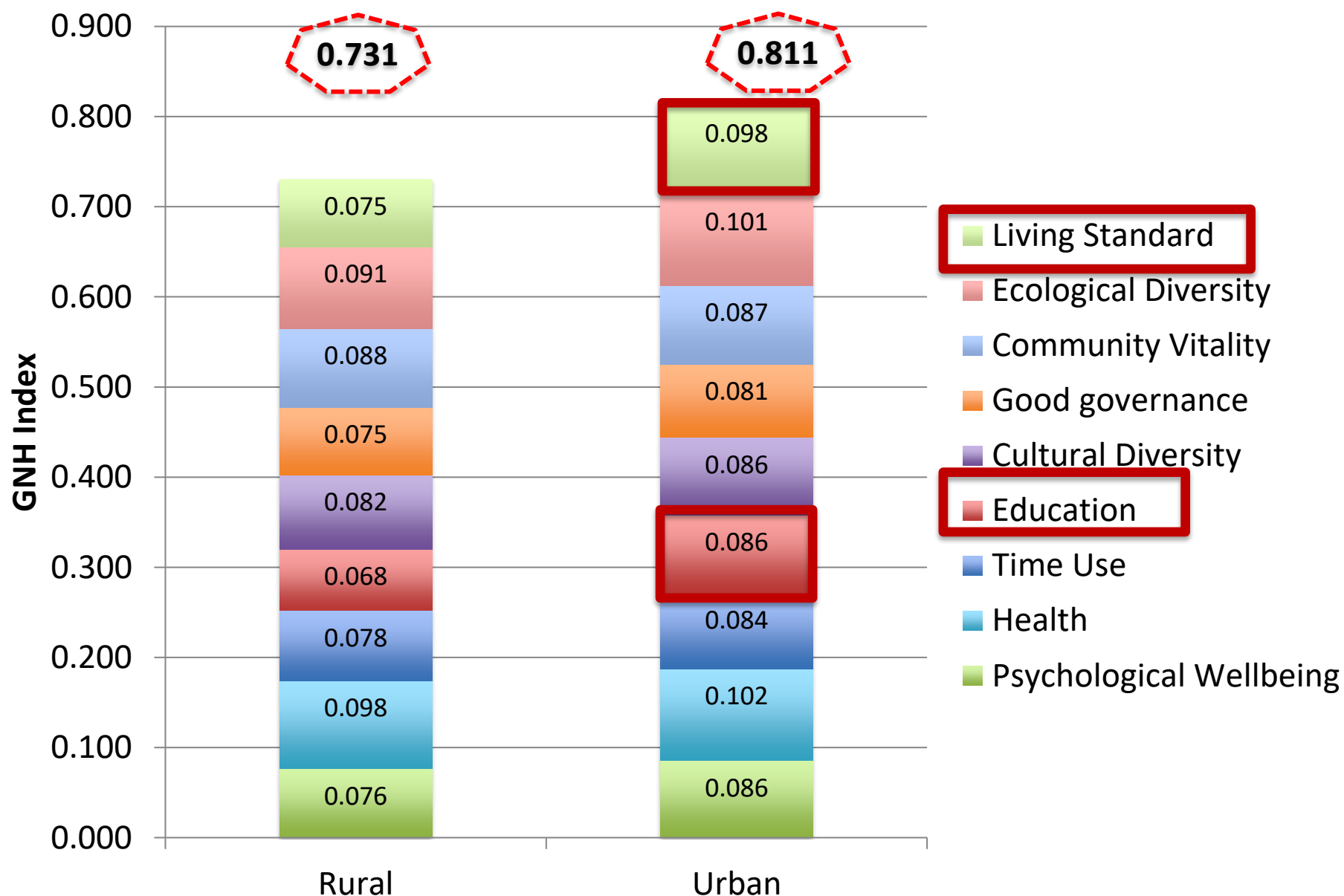
GNH Index, by Dzongkhag, 2015

(Darker the shade, higher the score)

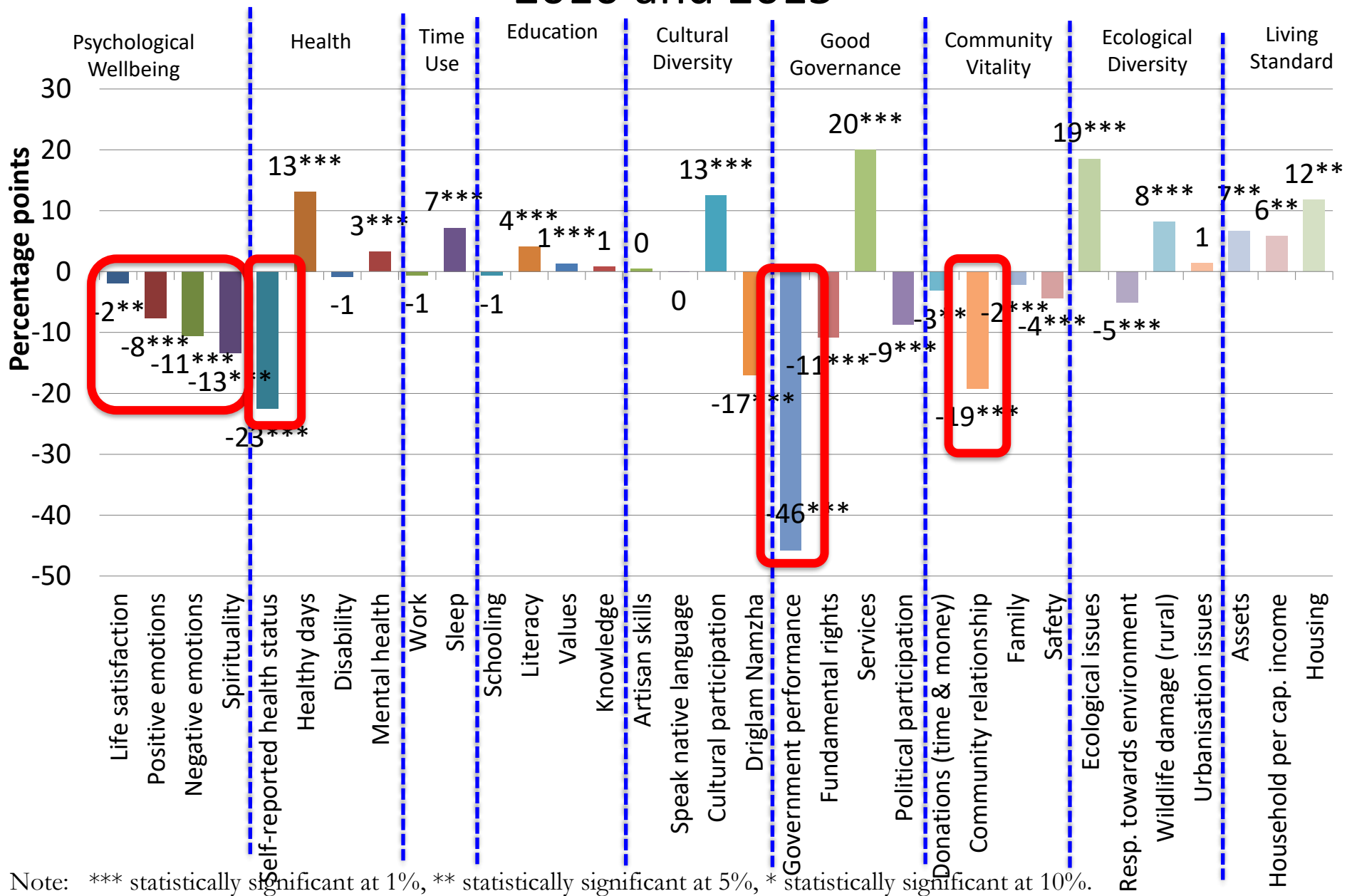




GNH in Rural and Urban areas 2015



Change in percentage of people enjoying sufficiency between 2010 and 2015

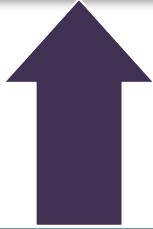


What is Distinctive about Bhutan's GNH Index on the International Stage (vs HDI, SPI, national etc)

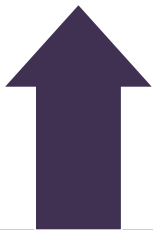
- It is the only well-being measure that is based on each person's portfolio of interlinked attainments. It gives an integrated view of their life. And it is policy-responsive.
 - *Implications:*
 - GNH Index is the only well-being measure that can be easily **disaggregated** by District, Gender, Age, Occupation, Rural/Urban, Education level, etc.
 - It is the only well-being measure where **each person** could, in theory, **know their own** well-being score.
 - It is the only well-being measure where an improvement in *any indicator* of *any person* who is not 'happy' by the GNH index, *increases* GNH. 100% of the time.

• But how is it used for policy?

National Goal



Sectoral Goal



Policy Making



Project Formulation

Single number GNH index



GNH indicators



Budget allocation formula

GNH policy screening tools



GNH project selection tools

Policy Use I: GNH Index and Budget

Criteria group	Criteria subgroup	Old	New	New total
Transport cost	Distance to road head		5%	20%
	Transport cost index	10%	15%	
Poverty	Poverty	45%	5%	20%
	School aged children unschooled (6-14 years)		5%	
	Income		10%	
Health	U5MR		5%	20%
	Unhealthy days		5%	
	Unreliable water supply		7%	
	Unhygienic sanitation		3%	
Farming	Kamzhing	} 10% of GDP 2015	5%	15%
	Chuzhing		5%	
	Livestock	4% of GDP 2015	5%	
Population & Area	Population	35%	15%	15%
	Area	10%		
GNH	GNH index		10%	10%

Policy Use II: Screening tools

- Systematically assess impacts of any policy or project on GNH
- Select GNH enhancing policies and projects
- Reject projects and policies that adversely affect key determinants of GNH
- Key GNH determinants based on a pilot and national GNH surveys

Use III: The assessment tool for GNH Certification ~ it uses 206 variables to:

1. Increase accountability
2. Assist in re-orienting and re-focusing priorities
3. Affects positive organisational change
4. Integrated commitment for worker, community, and environment wellbeing in businesses
5. Provide for holistic monitoring, evaluation, and reporting framework
6. Systematic environmental & social audit of business activities
7. Enhances brand credibility and reputation

Multidimensional Wellbeing Index (MWI)

Alkire, S. and Kovesdi, F. (2020). 'A birdseye view of well-being: Exploring a multidimensional measure for the United Kingdom', *OPHI Research in Progress* 60a, University of Oxford

Conceptual framework

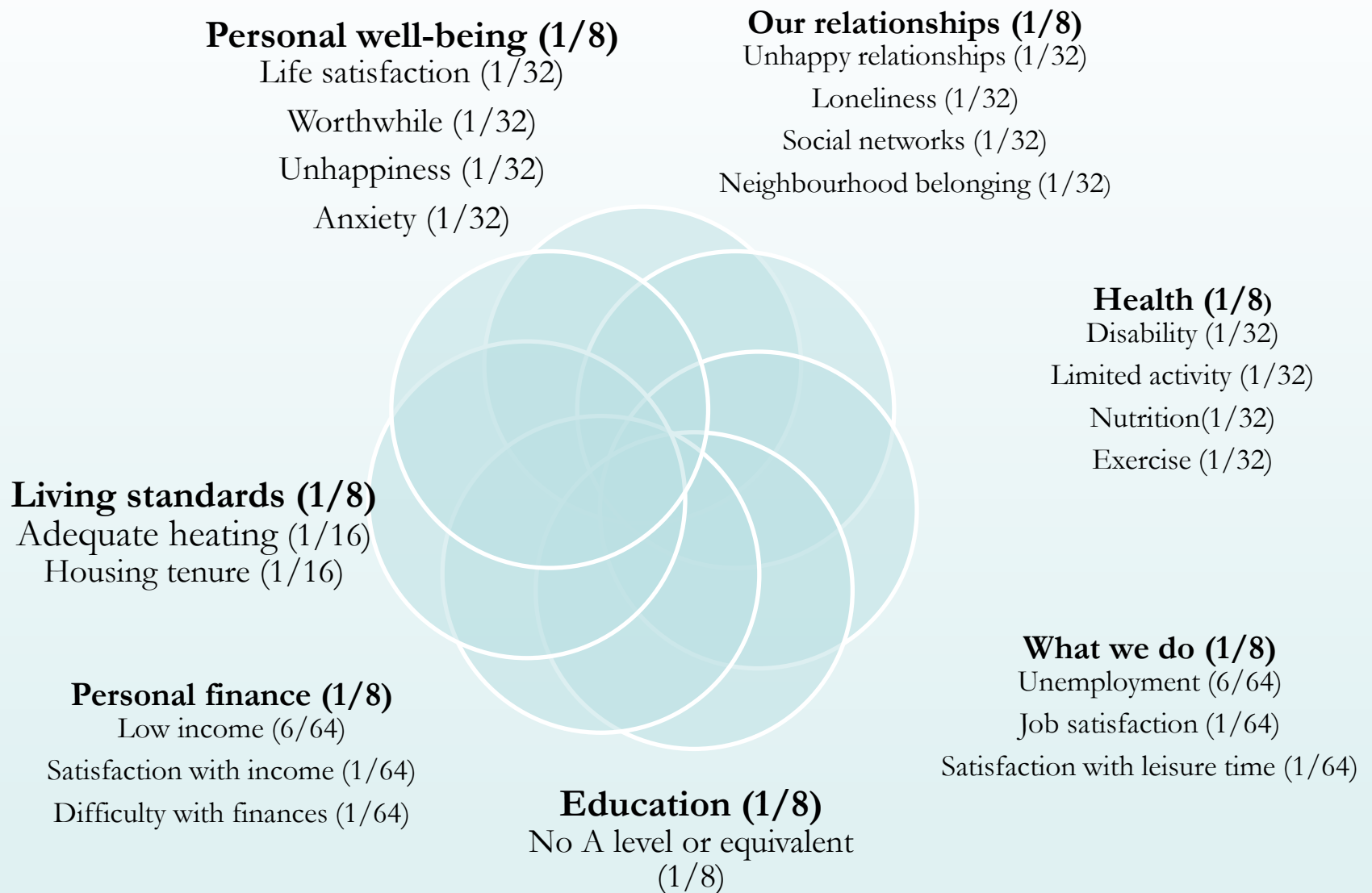
- **Based on UK Office of National Statistics dashboard on wellbeing**
- Selected indicators and dimensions retained based on data availability

Methodology

- **Create UK wellbeing index using same method as Bhutan's GNH**
- Individual as unit of identification and analysis

Data

- **Understanding Society Wave 9** (2017-19)
- Household and adult questionnaires (aged 16 and over)
- This is a paper to **illustrate** a method: the indicators are not right yet.



Alkire, S. and Kovesdi, F. (2020). **‘A birdseye view of well-being: Exploring a multidimensional measure for the United Kingdom’**, OPHI Research in Progress 60a, Oxford Poverty and Human Development Initiative (OPHI), University of Oxford.

Multidimensional Well-being Index gradient (UK)

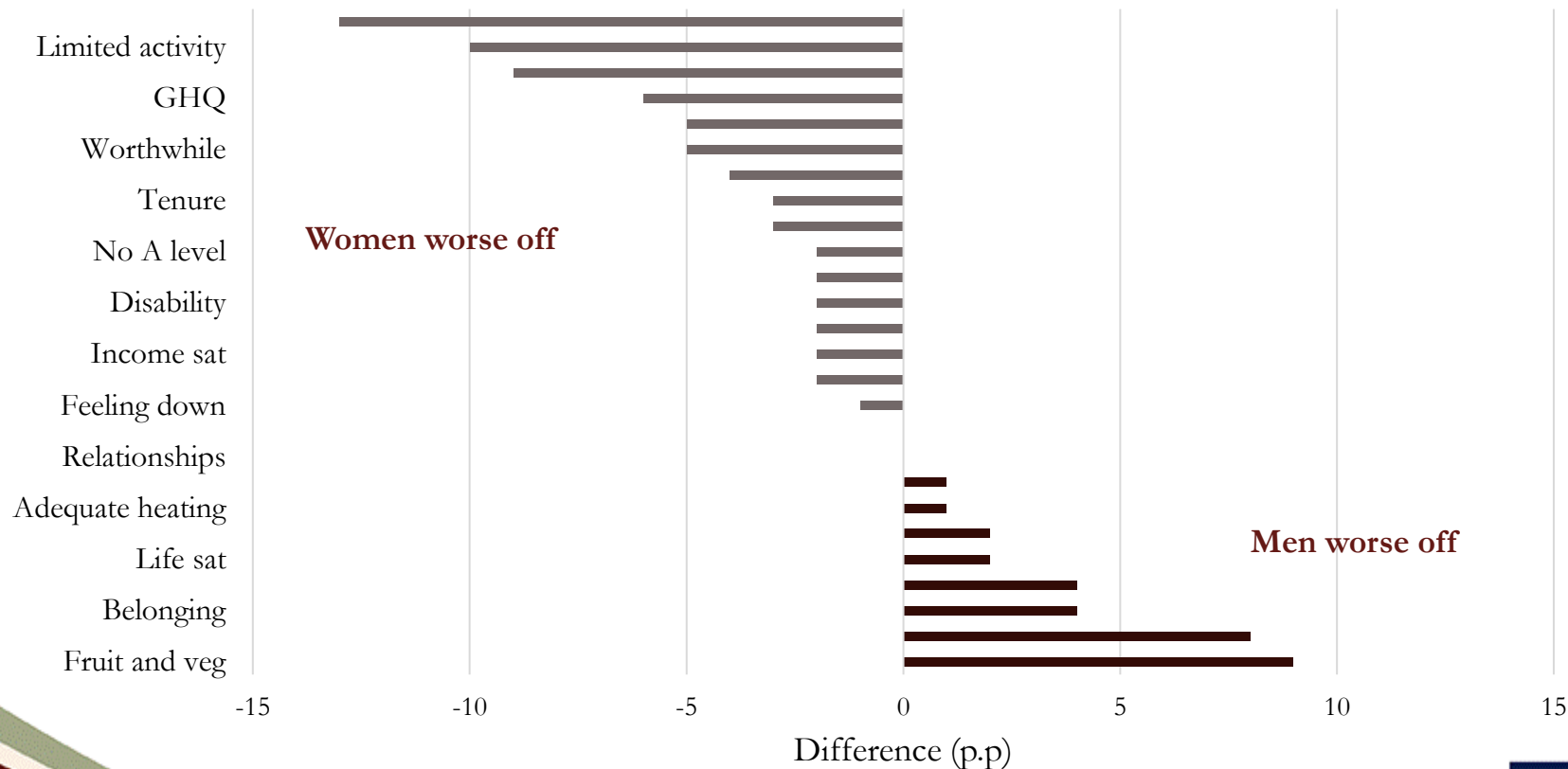
Wellbeing gradient	Sufficient in..	Insufficient in..	Incidence		Average sufficiency	
			Measure 1	Measure 2	Measure 1	Measure 2
Favourable	75% – 100%		44.4%	51.3%	84.0%	84.2%
High	87.5% – 100%	1/8 or less	13.3%	16.2%	91.9%	92.0%
Decent	75% – 87.49%	More than 1/8	31.1%	35.1%	80.5%	80.6%
Less favourable	0% – 74.99%		55.6%	48.7%	62.3%	63.8%
Moderate	67.50% – 74.99% <small>Source: Authors' calculations.</small>	More than 1/4	20.3%	20.6%	71.0%	71.2%
Narrow	50% – 67.49%	More than 3/8	29.6%	24.4%	60.0%	60.75%
Low	0 %– 49.99%	More than 1/2	5.7%	3.7%	43.0%	43.0%

MWI (M1) = 0.790

MWI (M2) = 0.824

Gender gap in sufficiency

Men: 0.829 Women: 0.819



Source: Alkire, S. and Kovesdi, F. (2020). 'A birdseye view of well-being: Exploring a multidimensional measure for the United Kingdom', OPHI Research in Progress 60a, Oxford Poverty and Human Development Initiative (OPHI), University of Oxford.

Disaggregate subnationally

Older people aged 60 and above had high well-being, as did teens.

Across ethnic groups, 52.6% of whites enjoy favourable wellbeing, but only 34.5% of non-White.

Only 26.8% of Black/W Indians.



Alkire, S. and Kovesdi, F. (2020). ‘**A birdseye view of well-being**: Exploring a multidimensional measure for the United Kingdom’, OPHI Research in Progress 60a, Oxford Poverty and Human Development Initiative (OPHI), University of Oxford.

Would a measure of well-being (& multidimensional poverty) be useful?

- The **framework is general**, and can incorporate indicators / dimensions, if they come from the same survey or are merged.
- The well-being index can be easily **disaggregated** by District, Gender, Age, Occupation, Rural/Urban, Education level, etc.
- **Each person** can ponder **their own** well-being score – there's a kind of transparency not possible in composite measures.
- An improvement in *any indicator* of *any person* who is not 'happy', **increases** well-being. So it is visibly policy-responsive.
- Statistics are rigorous, transparent, well-documented etc.

A conversation starter?

