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Review Article

Beyond GDP: A Critical Narrative Review of the World Happiness Report and Gross National Happiness Index

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Abstract

Background: GDP is a limited measure of national wellbeing, and two alternatives have gained attention: the World Happiness Report (WHR) and Bhutan's Gross National Happiness Index (GNHI).

Aim: To compare what the two instruments measure and assess how useful each is for health policy.

Methods: Narrative review of their theoretical foundations, measurement designs, and applications, using peer-reviewed and institutional sources.

Results: The WHR uses a single life-evaluation question, which gives broad cross-country comparability but limited sensitivity to inequality and possible cultural response bias. The GNHI covers nine domains with distributional sensitivity, but its thresholds and weights reflect Bhutanese values and it is hard to apply elsewhere.

Conclusion: The indices measure different constructs and neither is superior. Policymakers should use each for what it measures, and an integrated framework could combine comparability with equity sensitivity.

Keywords: World Happiness Report; Gross National Happiness; wellbeing measurement; life evaluation; health policy

1.Introduction

The case against GDP as a standalone measure of national progress is not new. Richard Easterlin made it empirically in the 1970s, showing that countries do not get happier as they get richer beyond a certain threshold. (1) The Stiglitz-Sen-Fitoussi Commission made it politically in 2009, arguing that GDP systematically ignores distribution, sustainability, and almost everything that makes life worth living (2) What is newer is the attempt to replace it, or at least supplement it, with an index that actually measures something closer to human wellbeing.

Two such attempts now receive serious international attention. The World Happiness Report, first published in 2012 for a UN High-Level Meeting on Wellbeing and Happiness, produces annual country rankings based on how people rate their own lives on a ten-point scale. (3) Bhutan's Gross National Happiness Index, formally embedded in the 2008 Constitution, measures whether citizens have achieved sufficiency across nine domains of life that the country's government considers essential. (4) Both are regularly cited in policy documents. And they frequently produce contradictory results for the same countries.

This review examines why these results differ. Rather than asking which index is better, it asks what each measures, what assumptions it makes, and where those assumptions break down. The answer matters practically: policymakers who use these indices without understanding their foundations risk drawing conclusions the data cannot support.

Most comparative literature on happiness indices either focuses narrowly on statistical methodology or stops at policy recommendations without engaging the underlying philosophical disagreements. This review does both. It aims to help researchers and public health practitioners better understand these indices by clearly explaining what they measure—and what they don't.

Three questions drive the analysis. First, do the WHR and GNHI define happiness the same way?

Second, are the methodological choices each makes defensible given those definitions? Third, can either index be used cross-culturally without distorting the very thing it claims to measure? The review draws on peer-reviewed literature and institutional documentation published between 2015 and 2025, with foundational sources included where necessary for context.

3.Historical Origins and Conceptual Rationale

Definitional Scope: What Is 'Happiness'?

This is the question both frameworks answer differently, and it is worth sitting with the disagreement rather than glossing over it.

The WHR defines happiness as life evaluation. Respondents are asked to imagine a ladder with the best possible life at the top (10) and the worst possible life at the bottom (0), then say where they currently stand. (5) That is the Cantril Ladder. It captures how people assess their situation when prompted to step back and think about it -- a cognitive judgment, not a momentary feeling. The choice is intentional: Layard and colleagues have consistently argued that life evaluation is more stable and policy-relevant than moment-to-moment affect.

The GNHI defines happiness differently -- not as something people report feeling, but as something that can be inferred from whether they have enough across nine domains of life. (6) None of the 33 GNH indicators directly asks 'how happy are you?' The index measures the structural preconditions for a flourishing life: health, education, ecological balance, cultural continuity, psychological wellbeing, good governance, community bonds, time use, and living standards. This is closer to Amartya Sen's capabilities framework than to the hedonic tradition the WHR draws from.

The practical consequence of this gap is striking. Bhutan ranked 95th in the 2019 World Happiness Report. (7) By the GNHI's own measure, Bhutan's wellbeing was improving. These are not contradictory findings -- they are measurements of different things. A country where people report relatively low life satisfaction on a comparative ladder question can simultaneously be a country with strong ecological governance, high community cohesion, and improving health outcomes. The two scores cannot be compared because the two instruments are not measuring the same construct.

The World Happiness Report

The WHR came out of the welfare economics tradition, filtered through positive psychology. Jeffrey Sachs, Richard Layard, and John Helliwell -- its founding editors -- shared a conviction that subjective wellbeing could be measured reliably across countries and that governments should be held accountable for it. (3) The Gallup World Poll, which had been running since 2005, gave them the data infrastructure to test that claim. The result was a report that positioned life satisfaction as a legitimate policy target, not just a byproduct of economic growth.

The political opening came from Bhutan, of all places. The 2012 UN meeting that commissioned the first WHR was co-chaired by Bhutan's Prime Minister -- a fact that is easy to overlook but tells you something about how much these two frameworks are entangled at the origin. (3) Since then, the WHR has been published annually on the UN's International Day of Happiness. By 2025 it covered over 140 countries and had published more than 100 thematic chapters. (5)

The Gross National Happiness Index

Bhutan's Fourth King, Jigme Singye Wangchuck, first said that Gross National Happiness mattered more than Gross Domestic Product in the early 1970s. He was not making a statistical claim -- he was pushing back against Western development agencies that wanted Bhutan to modernize on the standard economic template. (4) The phrase sat mostly as a governing philosophy until the 2000s, when the Centre for Bhutan Studies partnered with Sabina Alkire at the Oxford Poverty and Human Development Initiative to build an actual measurement instrument. (6)

The result was formalized in the 2008 Constitution and administered in national surveys in 2008, 2010, 2015, and 2022. The 2022 survey covered over 11,000 respondents across all 20 of Bhutan's districts and produced an overall GNH score of 0.781, up from 0.743 in 2010 -- an improvement sustained despite the economic disruption of COVID-19. (8) What distinguishes the GNH

framework from the WHR at its foundation is this: it never set out to measure how happy individuals feel. It set out to measure whether the conditions for happiness -- ecological, cultural, economic, psychological -- are in place.

4. Domains and Indicators

4.1 World Happiness Report: Six Explanatory Variables

The WHR's country rankings come entirely from the Cantril Ladder. The six variables -- GDP per capita in purchasing power parity, healthy life expectancy, social support, freedom to make life choices, generosity, and perceptions of corruption -- are explanatory correlates, not components of a composite index. (5) The WHR team is careful to say they are showing how much of the cross-country variation in ladder scores can be statistically attributed to each factor, not adding up domains to produce a score.

The selection of these six variables has attracted criticism, and not without reason. Education is absent. Employment quality is absent. Income inequality is absent. The WHR team acknowledges this and attributes it to data availability constraints in the Gallup World Poll for the full country sample. (5) That is a fair explanation. It is less comforting as a justification. A framework that leaves out inequality when measuring national happiness is, at minimum, not measuring what it says it measures for the poorest segments of the countries it ranks.

4.2 Gross National Happiness Index: Nine Domains, 33 Indicators

The GNHI covers nine domains of equal weight: psychological wellbeing, health, time use, education, cultural diversity and resilience, good governance, community vitality, ecological diversity and resilience, and living standards. (6) These nine domains contain 33 indicators, which contain 124 individual variables. Several of the domains -- ecological diversity, cultural resilience, community vitality -- have no analogue in the WHR framework at all. Their inclusion is not an accident; they are central to the Buddhist account of what a flourishing life requires.

The Alkire-Foster aggregation method is designed to track distribution, not just averages. (9) Individuals are placed into four groups -- deeply happy, extensively happy, narrowly happy, and unhappy -- based on how many of the 33 indicators they meet at a sufficiency threshold. The index is built to reward policy that improves conditions for the least-happy groups, not just policy that raises the national average. That is a structural feature of the GNHI that the WHR cannot replicate: the WHR reports a national mean and cannot tell you whether the happiness gains at the top are masking deterioration at the bottom.

5. Process of Conducting this Survey

5.1 WHR: Gallup World Poll and the Cantril Ladder

The WHR uses Gallup World Poll data from roughly 1,000 respondents per country per year, pooled across three years to stabilize estimates. The 2025 rankings are based on data from 2022 to 2024. (5) The methodology is transparent, the sampling protocols are standardized across countries, and the three-year averaging is a reasonable response to the volatility problem. These are genuine strengths. are genuine strengths.

A 2024 study in Scientific Reports found a more fundamental problem with the Cantril Ladder: the ladder metaphor itself. When people are asked to place themselves on a scale between the best and worst possible life -- framed as a vertical hierarchy -- they tend to think about power and wealth rather than relationships, purpose, or health. (10) The study found that respondents gave lower self-ratings under the Cantril framing than under alternative wellbeing frames that did not use a hierarchical metaphor. If this holds up, it means the WHR's core instrument may be systematically measuring socioeconomic aspiration rather than life satisfaction in any broader sense. That is not a minor quibble.

The cross-cultural problem is distinct from the framing problem but equally serious. East Asian cultures tend to avoid extreme scale endpoints regardless of actual life conditions. Cultures with strong collectivist norms produce lower self-ratings than individualistic cultures partly for social reasons,

not factual ones. (11) Gallup standardizes translation and administration mode but does not adjust for these response styles. A 2026 study comparing Gallup Cantril Ladder scores with those from the Global Flourishing Study found discrepancies of more than one scale point for several countries, including Hong Kong -- a gap large enough to shift country rankings meaningfully. (11)

5.2 GNHI: Alkire-Foster Method and Survey Design

The GNH national surveys are methodologically intensive. The 2022 survey took nine months to complete across all 20 districts and reached over 11,000 respondents, stratified by district, gender, age group, and urban-rural location. (8) The Alkire-Foster method it uses was developed for multidimensional poverty measurement and has been extensively validated in that context.(9) Its adaptation to happiness is theoretically coherent: sufficiency thresholds make more conceptual sense for capabilities-style domains than for self-reported satisfaction.

The normative choices embedded in the GNHI are worth naming explicitly. The sufficiency thresholds for each indicator -- the line above which someone 'has enough' in that domain -- are not derived from the data. They are judgments, and they reflect Bhutanese values about what constitutes an adequate life. (6) The weights assigned to indicators are also normative, with subjective variables deliberately downweighted. None of this invalidates the instrument, but it does mean the index is not culturally neutral. It operationalizes a particular account of the good life and calls it happiness.

The feasibility issue is blunt: the GNHI model requires sustained government capacity, reliable sampling infrastructure, and the ability to field a nine-month national survey every five years. Most low- and middle-income countries cannot do this. The countries that most need a robust alternative to GDP are often the least equipped to implement the GNHI alternative. (12)

6. Cross-Cultural Validity and Contextual Sensitivity

Finland has topped the World Happiness Report rankings since 2018. This result has generated a peculiar kind of debate inside Finland itself, with some commentators arguing that Finns do not actually experience unusually high life satisfaction -- they just score well because the Cantril Ladder favors countries with strong welfare states, low inequality, and high institutional trust. (13) Others argue Finns underreport negative feelings as a cultural habit. Whatever the explanation, the fact that citizens of the supposed world's happiest country are publicly debating whether they are actually that happy should give WHR readers pause.

The GNHI's cross-cultural problem runs in the opposite direction. Its domains and indicators were built for Bhutan, and several of them are explicitly Buddhist in their framing. The GNH Centre's own documentation describes the cultural domain as measuring 'cultural diversity and resilience' partly through participation in traditional Bhutanese customs and the Dzongkha language. (8) Adapting this to a secular, pluralistic country would require replacing or reweighting enough indicators that the result would be a different instrument. Attempts to pilot GNH-style surveys in cities like Seattle, Victoria, and Sao Paulo have all required substantial local redesign. (14)

The sharpest version of the cultural validity critique concerns Bhutan's own record. In 2019, Bhutan ranked 95th on the WHR. (7) Some critics use this to argue that the GNHI is a government tool for projecting a happiness narrative that the Gallup data does not support. Wikipedia's GNH article notes that several scholars have described the framework as obscuring human rights concerns, particularly the expulsion of more than 100,000 ethnic Nepalis from Bhutan in the 1990s -- people who do not appear in the GNHI's sample. (14) A happiness index that excludes expelled minorities from its measurement is not measuring national happiness. It is measuring the happiness of those who stayed.

7. Policy Translation and Governance Implications

The WHR is primarily an advocacy and monitoring instrument. By publishing annual rankings, it creates public pressure on governments to take life satisfaction seriously. The report has also developed the concept of Wellbeing-Adjusted Life Years (WELLBYs) as a supplement to QALYs in health

economics, arguing that mental health and social connection are systematically undervalued when healthcare decisions are made purely on clinical outcome metrics. (5) These are useful contributions.

What the WHR has not done is translate into routine domestic governance in most countries. Researchers at UCLA have argued that the happiness measurement literature is still too contested and too methodologically variable to support major policy decisions at the national level. (15) Daniel Benjamin and colleagues have made the more fundamental point that a single self-reported measure cannot substitute for a validated battery of wellbeing dimensions weighted by what people actually value -- and building that battery is a multi-decade project that has barely begun(16)

The GNHI sits differently in governance. It is not an external academic product -- it is a constitutional instrument. Bhutanese government ministries use GNH screening tools to assess the happiness implications of proposed policies before they are implemented. (8) The 2022 survey results were used directly to identify which districts and which domains needed targeted investment. (8) Whether this governance integration reflects the index's genuine usefulness or the government's control over what the index measures -- and therefore what the results show -- is a fair question. It is also one that the WHR, which has no equivalent governance relationship with any country, does not face.

The OECD has documented the GNHI as a case study in alternative wellbeing measurement in its Well-being Knowledge Exchange Platform. (17) The OECD's own Better Life Index took a different route -- a dashboard of 11 domains where users assign their own weights -- partly because there was no political agreement on how to aggregate a single national happiness score across member states with very different values. That choice is instructive. It suggests that the problem of defining happiness at a policy level is not primarily a technical one.

8. Comparative Summary

Table 1 lays out the main differences between the two frameworks across ten dimensions

Table 1. Comparative Overview: World Happiness Report vs. Gross National Happiness Index

Dimension	World Happiness Report	GNH Index
Origin	UN-affiliated, 2012; Helliwell, Layard, Sachs	Bhutanese monarchy, 1972; formalized 2008
Conceptual basis	Welfare economics, positive psychology	Buddhist philosophy, capabilities approach
Happiness definition	Life evaluation (Cantril Ladder, 0-10)	Sufficiency across nine life domains
Domains / indicators	6 explanatory correlates; no composite score	9 domains, 33 indicators, 124 variables
Methodology	Gallup World Poll; OLS decomposition	National survey; Alkire-Foster method
Geographic scope	140+ countries, annual	Bhutan only; every ~5 years
Equity sensitivity	National mean only; no distributional data	Classifies population into 4 happiness groups
Cultural grounding	Aims for neutrality; response bias documented	Explicitly Buddhist and Bhutanese
Policy integration	Advocacy and monitoring; no governance role	Embedded in constitutional governance
Main weakness	Single-item measure; cultural response bias	Bhutan-specific; resource-intensive; access gaps

9. Discussion

The WHR and GNHI are not answering the same question. The WHR asks: how satisfied are people with their lives, and what country-level factors predict that satisfaction? The GNHI asks: have Bhutanese citizens achieved sufficient functioning across the domains that Bhutanese society considers essential for a good life? These are different questions. Answering one does not answer the other. The confusion in popular and policy discourse comes from using the word 'happiness' for both, as though that settles what is being measured.

The WHR's single-item methodology is a real vulnerability, not just a theoretical one. The 2024 finding that the Cantril Ladder primes wealth-related thinking (10) combined with the documented response style differences across cultures (11) , means the WHR rankings are carrying more noise than the confidence intervals around the Gallup estimates suggest. Finland probably does have a high functioning welfare state. Whether Finnish people are 'happier' in any philosophically meaningful sense than people in countries ranked 50 places lower is a different and harder question.

The GNHI's problem is less about measurement quality within Bhutan -- the methodology is defensible and the institutional integration is genuinely impressive -- and more about the political conditions under which the index operates. An index designed and administered by a government, measuring domains the government defines, in a country where the government controls who is counted, is not an independent measure of national happiness. It is a measure of whether the population the government recognizes meets the government's definition of sufficiency. That may be informative. It is not the same thing as an independent assessment of human flourishing. The more productive question is not which framework wins, but what a better framework would look like. It would probably need the WHR's cross-country comparability, the GNHI's distributional sensitivity, the capabilities approach's philosophical grounding, and enough cultural flexibility to be applied in countries with very different values about what a good life requires. That instrument does not yet exist. The WHR and GNHI are the closest approximations currently available, and neither is close enough.

10. Conclusion

GDP is a bad happiness measure. The WHR and GNHI are better, but they are better in different ways, and the ways they are worse are different too. The WHR can tell you something about how people in 140 countries evaluate their lives relative to each other; it cannot tell you whether that evaluation is picking up cultural response patterns, economic aspiration, or genuine differences in life quality. The GNHI can tell you whether Bhutanese citizens meet a philosophically grounded set of sufficiency conditions; it cannot easily be applied elsewhere, and it cannot be assumed to be politically independent.

For researchers and policymakers, the practical implication is this: neither index should be used as if it measures happiness in any simple or universal sense. The WHR is useful for identifying broad patterns in life satisfaction across countries and tracking them over time. The GNHI is useful for understanding how a government committed to holistic wellbeing thinks about measurement and governance. Used together, with awareness of what each cannot do, they are more informative than either alone. Used uncritically, they produce the illusion of precision around a concept that the measurement literature is still far from capturing adequately.

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