Bangladesh
Journal of
Political
Economy

© 2016 Bangladesh Journal of
Political Economy
Vol. 31, No. 4, June 2016, pp. 303-318
Bangladesh Economic Association
(ISSN 2227-3182)

Socio-economic Development Through Economic Growth: Myth or Reality

M A Jalil*

Abstract: *All the countries, throughout the world, to their utmost abilities are pursuing the policy of accelerating economic development through the attainment of higher economic growth. In amost every Economic and Social Survey, while measuring the performance of any country, hinge on the attainment of higher economic growth, although the ultimate purpose of economic policy is the maximization of satisfaction in life. It is evident from different studies, conducted in different countries, that the relationship between income and happiness is not strong. That is why ultimately, Gross National Happiness is measured in various domains.*

The study is primarily a review of literature in nature. Efforts have been made to cite some of the recent studies in this regard, with particular referrance to the economy of US and Bangladesh. But human society in all over the world is becoming the abode of more and more inequalities and world peace is threatened, so to say, the more and more information we are gathering; the more agony is created in our minds, because we are a heading far from our expectations.

Keywords: GDP growth, Aristotle, paradox, palliative solution, cardinal number, Schumpeterian growth, exponential growth, HDI, Plutocrats, Rule of Law & OECD.

1. Introduction

In the pursuit of development all the countries of the world are trying to their level best and according to their capacities keeping in minds, in the milieu of their socio-political ideology, to accelerate the economic growth. Today, the performance of any country is judged on the average annual rate of growth achieved by the concerned country. That is why development economics hinge on attaining as much higher economic growth rate as possible by every country. By this, economists tend to mean the growth in the gross domestic product (GDP), or the market value of what a country produces (including services).In theory, rising GDP

* Professor of Economic, Eastern University

creates employment and investment opportunities; and as income grows, both citizens and government increasingly are able to set aside funds for the things that make for a good life. One of the tasks of the government is to establish conditions that encourage this kind of economic development. Its role should thus be actively protecting the rules of law; investing in infrastructure, health and education, because without these no country can prosper and passively permitting markets to operate. Of course, GDP growth in itself does not guarantee on equitable distribution of incomes, but the problems could be offset by government taxes and transfers. Or so the argument would have it. From these examples it is evident that the relationship between income and happiness is not strong.

2. Historical Review of Literature:

Correlation between Income and Happiness:

For one thing, international studies of the correlation between income and happiness have recently uncovered a counterintuitive connection. Until few years ago, the reigning theory about money and happiness was the Easterly paradox, the 1974 finding by Richard Easterly that, beyond a relatively low threshold, more money didn't make you happier. But as better international data became available, economists discovered that the Easterly paradox applies only across generations within a single country-you are probably not happier than your parents were, even though you are probably richer. But across countries, what millions of immigrants have always known to be true really is: the people of rich countries are generally happier than the people of poorer countries.

Today, countries are subdivided in few categories: Developed, Developing, Underdeveloped, and Least Developed. With the advancement of science and technology, particularly of software, teletalk network, I-phone etc. information gathering has become very easy and man to man relationship has been established. Naturally, everyone feels like comparing him-/her-self with metes, friends, relatives, even unknowns living another parts of the world. In that way, we are living in a comparative world, no body is isolated. But the tragedy lies here that as we are progressing in the arena of economics, the distance between the different categories of countries and among the citizens of different countries are widening-we are leading to an unequal society. Even whatever may be ideology of anyone, irrespective of capitalistic, socialistic-capitalistic, one thing is common: income inequality among people is increasing; the society is becoming more and more lop-sided. All developed, newly developed, fast developing, and even emerging countries, one feature is common- the fruits of development are distributed in unequal manner, and in other words, the rich is becoming more rich and the poor poorer.

In recent years, researchers have spent a lot of time investigating what makes people happy. They do it mostly by asking people if they are happy and then correlating answers with other features of their lives. The methods seem films, but it produces surprisingly stable and reliable results. According to David Brooks (2011), the first thing they found is that the relationship between money and happiness is rather complex. Richer countries tend to be happier than poorer people, but relationship is not that strong; it depends on how you define happiness, and it is the subject of fierce debate among the experts. As Carol Graham (2010) writes that Nigerians rate themselves just as happy as the Japanese, even though Japan's GDP per capita is almost twenty-five times higher than theirs. The percentage of Bangladeshis who report themselves satisfied with their lives is twice as high as the percentage of Russians. It may be noted here that nearly 2,500 years ago Aristotle wrote, “The happy man will need external prosperity.” But how much do we need to be happy? Fortunately, the answer is no longer just a philosophical debate. Laura Rowley (2005) may be right when she says that possibly those who have less aspiration are happy.

In the introduction of his work, Chrystia Freeland (2012) has mentioned that President Barack Obama had alienated the business community by speaking about the rich". It would be best not to refer income differences at all, the banker said, but if the president couldn’t avoid singling out the country's top earners, he could call them "affluent". Naming them as rich he told the author, sounded divisive- something the rich don’t want to be. Striking a similar tone, Bill Clinton, in his 2011 book, back to work, faulted Barrack Obama for how he talks about those at the top. I didn't attack them for their success, "President Clinton wrote, attributing to that softer touch his greater success is getting those at the top to accept higher taxes.

From the above talks of two Presidents , we realize the intensity of the issue which is again question-begging in nature, but no solution comes for the human society, some instant palliative solution indication is indicated- redistributive measures through taxes. Yes, every government today is taking some redistributive measures. This is not new. It can be said that what damage the economic growth-based development has resulted, now being repaired. On the prima face it appears that present development efforts has some in-built order that as it goes, whether at a moderate or faster rate creating a more unequal society.

Popular Macroeconomic Views:

The people of developed countries as a whole remain more busy and earning more money are haunting them that they forget the life's other needs, form an idea that money will bring everything in life. On the other hand, it is observed that people of least developed and underdeveloped countries remain anxiety free, not so horribly busy and have the minds to enjoy lives. They are contended with less and may be for this reason in many studies people of these countries found happier. So, containment is the root of happiness.

But, even though our common sense guides that we should work hard to achieve our goals of life. There is no alternative of hard work -hard work not of day labor. But of a technically qualified person; the more sophisticated, more would be earning. However, we, as an ordinary person work for money, because by spending money we meet our necessities, comforts and luxuries. We spend money on different items judging how much utility we are driving from those goods and services. Herein, we try to measure satisfaction with simple numbers cardinal numbers indicating how much number of elements there are in the assemblage. But, satisfaction is a mental estate, it can't be measured numerically. It can be measured in an ordinal way or number designating the places, such as first, second and third and so on. From this view point, teachers teach the indifference curves approach.

Both the Western critics and the Western fans of globalization tend to agree one thing: the emerging markets, particularly their rising middle classes, are among the big winners. As far as GDP goes, that is certainly true. But, just as the West's first gilded age was not perfectly benign for everyone living through it, the developing world's age of creative destruction is bumpy.

Tracing the Origin of Growth:

Matt Yglesias (2012), a journalist who tens to make a provocative claims laced with petty insights in an article of ten sentence titled "Nobody Knows Where Economic Growth Comes From". Of course, Yglesias is right, but probably not in the away he intended. Saying that economists in the early twenty-five century do not understand what causes growth is like saying that doctors do not understand cancer, meteorologists do not understand weather, or the evolution is just a theory. While there are limits to our knowledge, let us not confuse humility with ignorance. Unfortunately, economists use this rhetorical device as much as anyone else. Elhanan Helpman, a highly regarded Harvard economist titled his 2004 books the Mystery of Economic Growth. William Easterly's book The Elusive Quest for Growth is another case in point.

However, more nuanced recent researcher shows that investment in capital doesn't lead to growth. Rather it is growth that starts first, and investment follows. (A 1996 econometric study conducted by Mangus Blomstrom, Robert E. Lipsey and Mario Zejan, (in the Quarterly Journal of Economics, vol, iii, p-269-73). If that seems confusing, consider the historical examples of communist Russia and China. Industrial investment was their obsession, yet growth was weak. However, Acemoglu and Robinson (2012) claim that institutions are the foundation for growth. They have cited examples of various countries and proved their claim that is both big and small.

However, innovative growth, which some call technology proper and others simply call "ideas" is the easiest to explain. Build a better plough and farm yields increase. The third type is called Schumpeterian growth, after Schumpeter. Even America's economy overall is growing strongly and they are doing well themes, they know that they living through a period of what Joseph Schumpeter called "creative destruction."

According to many economists, for example, Jeffery D. Sachs: " The marketplace does have some elements of basic fairness: hard work can produce a higher income; laziness is punished. A lifetime plan to study hard and get a good education produces n economic reward for the individual as well a sense of fulfillment. But the fairness of the marketplace should not be exaggerated. Many people are simply unlucky. Market forces such as foreign competition may turn against them (such as when a technological change wipes out an industry in a gale of "creative destruction", as the economist Joseph Schumpeter called it"(Dan O'Neill, 2013). Others are born poor to parents who lack the education and skills to pay their own. Some live in places hit by earthquakes, tsunamis, draughts, floods, or other hazards and depends on government to survive and recover. Despite the claims of free-market advocates, virtually all the societies throughout history have organized governmental means to ensure support for the poor among them. (The main exceptions in history are when one ethnic, racial, or religious group leaves another to perish. In books on religion, sometimes, such examples are found when people are found beyond correction).

Most Recent Views:

Dan O'Neill and Daniel- Ben-Ami in their study reminded us that " economist and educator Kenneth Boulding once warned that anybody who believes in a finite world exponential growth can go on forever is either a madman or an economist. It is time for us to put an end of this mad pursuit in wealthy nations." Besides the fact that economic growth is a recipe for environmental disaster, we have reached a point at which it is no longer improving people's lives. They have cited example from the British economy saying that although since 1950 has become tripled in size, but survey indicate that people have not become happier. In developing countries, applied economies are different. The findings of developed country (Britain) are not in cases of countries like China and India. It is through persuasion of sustained high growth-based economic development has brought achievement for both the countries-drastically reduced mass poverty, changed life-styles of common people, contributed remarkably in world trade, and now treated as emerging world economic powers. Today in reviewing development literature, one will come across references both these countries profusely.

3. Objective and Methodulogy

The issue with which we are concerned in this study is not a new one. Development economists, social scientists and psychologists have been trying continuously for a long time to strike a balance between income growth, ensuring social justice through redistribution of income and correlate with happiness. Yet, on most occasions the latter, behaves in an unusual manner; sometime don't care for more possession of money.

The study is primarily a review of literature in nature. Only feature is that we tried to cover a good number of most recent studies, and we collected all the facts and figures from secondary sources. Again, this is opinion-based study. Some empirical evidences related to USA and Bangladesh situation have been included here as case studies. We believe that our efforts will inspire researchers to carry on forward our mission towards cherished goal-building- a happy and prosperous society free from high inequalities.

Study has been organized as follows:

Historical review of literature has been divided in following headings:

1. (i) Correlation Between Income and Happiness

   (ii) Popular Macroeconomic Views on growth

   (iii) Tracing the Origin of Growth

   (iv) Most Recent Views (Madness in Pursuing Exponential Growth)

We look particulare for knows where we Stand in Our Efforts for Development and increasing inequalities created in the society far from our expectation.

Additionally, we are concerned to know alternative left for us.

4. Achievement of Our Development Efforts

In present day world those countries treated as developed ones, have followed a prescribed course of actions to become prosperous countries and now in their position. This is true in cases of Western Europe, U.S.A., Japan, Asian Tigers and for all the emerging countries (Jalil, 2014). Here it would be pertinent to cite very recent examples of two most populous countries of the world, namely, China and India both shown amazing development in poverty reduction in short period of time and have drawn attention of the world. In pursuing speedy development, all the developed and fast developing countries stress of attaining higher growth rate- 'either growth at any cost' many countries including China followed this course, while some countries, for example India preferred the second path of 'growth with stability'. However, both China and India showed impressive and salutary achievement in reducing poverty in their countries. Attainments of high growth rate were at the root of their attempts. Although both the countries were different ideologically, but in their motto and the path for pursuance of development goals hardly there were any differences. Not to speak of only these countries, all the rich (developed) countries' path for development, i.e. modernization and diversification especially in reducing mass poverty. To say a bit detail, these include various steps high savings (which require boosting up income),more investment, reliance on FDI and extending appropriate facilities for foreign investment, creation of wide-spread employment opportunities, urbanization, safeguarding property rights, creating incentives for more production, exports promotion, bringing qualitative changes in the lives of the people. Of course, to day no nation can prosper without attaching importance to HDI, scientific development and innovation. It has been observed that ignoring these factors no country can achieve development goals. Taking all these recourses China and India changed their position of countries, which is amazing to the world. Patrick Mendis (2013)in a Figure has shown that in 1978 in China 30 per cent of total population were in poverty. Gradually poverty was alleviated and in 2004only 3 per cent. Chrystia Freeland aptly mentioned that ‘it should not be forgotten that in the last fifteen or so years, 300 million or more Chinese have been lifted out of poverty’... We as Goldman Sachs-estimate that 2 billion people are going to be brought into the global middle class between now and 2030 as the BRIC and N-11 economies develop... . Similarly, while reviewing two books on poverty alleviation in India, an economist (Partha Dasgupta, 2013) mentioned that ‘The proportion of people whose income is below country’s official poverty line 28 per cent declined from 45 per cent in the early 1980s to 28 per cent in 2005. In the similar vein, Alan Greenspan (2007, 2008) said that India picked up in real GDP growth from 3.5 per cent from 1950 to 1980 and to 9 per cent in 2006 has been truly remarkable. These advances have elevated more than 250 millions of people out of the subsistence poverty incomes of less than $1 per day. In this connection, the daily newspaper-Prothom Alo, on August, 27,2013 mentioned that in 2011-12 percentage of people living below poverty line in India came down to 21.9 per cent. In this connection, thethe remarks of the Noble laurate economist, J E Stiglitz is worth mentioning here.While submitting the report of the International Commission on the Measurement of Economic Performance and Social Progress (chaired by him in 2014) emphasized that GDP is not a good measure of how well an economy is performing.

Higher growth rate has led not only higher development, but also created more inequality and more and more number of plutocrats in the society. It has been observed that all the developed and fast developing countries, irrespective of their ideological belongingness show that as countries become richer, the inequalities also increase. People of developed countries are enjoying unheard and unimagined abundance; while still millions of people are living in dire poverty. The number of plutocrats is on the increase- the more the country become richer, larger the number of plutocrats in the country. Again, Freeland has pointed out that, “Today most colossal fortunes are new, not inherited –amassed by perceptive businesspeople that see they deserving victors in a cutthroat international competition. Bringing together economics and psychology of these new super-rich, Plutocrats, puts us inside a league of very of its own, with its own rules.” Inequality is rampant not only among various countries, but also in the same country; e.g. in United States and it is increasingly taking shape threatening peace and securities. Terrorism in world-wide is spreading under the situation. We have tried to highlight the situation, briefly, prevailing in two countries in USA (one of the richest country) and Bangladesh (one of the poor country)and show the trends in both the countries.

Joseph E Stiglitz, (2013) Nobel- prize winner economist and well-known for his various works on poverty and inequality (including his doctoral work), pointed out the poverty situation of America saying 'that an increasing large number of Americans can barely meet the necessities of life. The number of fractions of those in poverty was 15% in 2011, up from 12.5% in 2007.

It was clear from the reception of the price of inequality that it had hit a chord. Not just in the United States but around the world as well, there is mounting concern about inequality and about lack of opportunity, how these twin trends are changing our economies, our democratic politics, and our societies. The crisis continues to hart those in the middle and at the bottom. Raghuram G Rajan(former Chief Economist, now Governor, the Reserve Bank of India),author of famous book, Fault Lines :How Fractures Still Threaten the World Economy (2010), in an article cautioned an impin an imp- ending big crisis five years back. However, he has shown in his book the inequity of income in American economy saying that in 1976 top 1% rich people were in the possession of 8.9% of total income, which rose to 23.5% in 2007. During the period, 1976-2007, whatever real income increased 58% went to the top 1%. Joseph E Stiglitz, a Nobel laureate in economics, recently in an article titled "Democracy in the Twenty-First Cenyury" (Project Syndicate, 2014; Daily Star, September 3,2014) has expressed his concern while reviewing the book written by Thomas Piketty, Capital in Twenty-First Century, which attests to growing concern about rising inequality. The book lends further weight to concerning the soaring share of income and wealth at the very top. Piketty's work raises a fundamental issues concerning both economic theory and the future of capitalism. The standard theory suggests that, with the increase in wealth/output ratio, a fall in the return of capital and increase in wages. But today the return of capital does not seem to have dininished, though wage have (for example, in the US, wages are down some 7% over the past four decades).

In Bangladesh, development efforts in the country have opened new opportunities and hopes, but high concentration of wealth and property in the hands of few has affected lives of millions of common people (Banikbartha, 2013). Those who posses at least wealth amounting $3 crore, (i.e. tk. 250 crore) their numbers are increasing, shown in Table-1 as follows:

Table-1: Concentration of Wealth in Bangladesh

Year:	2009	2012	2013
Number of person:	50	85	90
Total wealth ($ Crores):	700	1300	1500

Source: World Ultra Wealth Report, 2013, Published in Bonikbarta,(December3, 2013).

Due of low development but high concentration of wealth in few hands 75% of people are passing lives in deprivation (inadequacy or insufficiency).BIDS (Bangladesh Institute of Development Studies) observes that although our development aims at reducing inequality but in reality inequity between rich and poor is increasing. Because of existence corruption and malpractices, some people are becoming the owners of black money. Suddenly, few persons are becoming plutocrats, which is one of the causes of social instability. According to Welfare Monitoring Survey conducted by BBS (Bangladesh Bureau of Statistics) only 4.25% of people owns larger portion of wealth, middle-class constitute 20.5% of people. The rest 75% belongs to deprived class. To say in other words, 5 crore 10 lakh 60 thousand people live hand to mouth.

On the eve of tenth Parliamentary Election of Bangladesh, a good number of daily newspaper, tried to focus their views, to assess the performances of the existing parliament members, (as all the members submitted their wealth statements and those of their family members to the Election Commission). The Daily Star has scrutinized the statements of some Awami League contestants and found that all of them have become richer over the last five years, some of them astonishingly. They compared these statements with those submitted by them before the ninth parliament polls (The Daily Star, December 22, 2013). On the following days i.e. December 23&24, The Daily Prothom Alo repeatedly published similar news covering a number of stalwarts of Awami Leage party. Earliar, we saw on December 20 and 21, 2013., the daily Prothom Alo published in their headline news of the assets owned in 2008 and on how some very powerful political personnel of the party in power and members of the parliament have amassed huge property, exploiting their power and became very rich during their regime in last almost five years. On the first day the daily covered 9 such persons. This information has been collected recently and compared those from their declaration submitted before 2008 national election. On the second the daily concentrated on how a particular person of trivial position became in so an eminence and owner of billions of money. For instance, he purchased 70 acres of land mostly near Sundarban areas by 5 crores of taka,3 business establishments in Gazipur by 3 crores of taka, and purchased car by 1 crore taka. The same news came in other dailies including The Daily Star, 22&24 December, 2013 under sub-title- Politics of Fortune. The Daily Prothom Alo in its editorial on December 24 showed that some of them now have multiplied the assts 351 times during last five years. All such incidence clearly shows how the powerful people have grabbed the poor people's money. Another case of concern is that the size of underground economy which was 7% of GDP in 1973 rose to 63% in 2010 (Star business report, The Daily Star, April 4, 2014).

One can raise the question: what is the purpose of laws and regulations that are to control the functioning of our economy? Why do we need "rule of law"? "Rule of law" is supposed to protect the weak against powerful, but it is seen many countries those legal frameworks have sometimes done just opposite, and the effect has been a transfer of wealth from bottom to middle to top(S Naidu, 2010)

Former President of the U.S.A., Bill Clinton (2012) in his recent writing has portrayed the pervading situation of the world as a whole: 'The Case for Optimism, from technology to equality, five ways the world is getting better all the time.' The contents are: "The world is more interdependent than ever. Borders have become more like nets than walls, and while this means that wealth, forces shaping our shared fates. The financial crisis that started in the U.S. and that swept the globe was further proof that- the better and therefore worse- we can't escape one another.” He further stated: "There are big challenges with our interdependent world: inequality, instability and unsustainability. The fact that half of the world's people live in less than $ 2 a day and a billion people on less than $ 1 a day is stark evidence of inequality, which is increasing in many places. We are fending the effect of instability not only in the global economic slowdown but also in the economic violence, popular disruptions and political conflicts in the Middle East and elsewhere. And way we produce and use energy is unsustainable, changing our climate in the ways that caste a shadow over our children's future." It's a message for present generation of the world. But, by and large the responsibility of building a better world lies with the richer nations. They are the pioneer both for our well and woe. But in broad view, no one can escape-every nation and each individual where ever he/she stays can contribute a lot to the fight for establishing an exploitation-free world society. But, in reality the inequality has been taking a more acute shape in more rich countries. There has always been some gap between rich and poor in any country, but in the last few decades what it means rich has changed dramatically. Alarmingly, the greatest income gap is not between the 1 percent and the 99 percent, but within the wealthiest 1 percent in America (for example)-as the merely wealthy are left behind by the rapidly expanding fortunes of the new global super-rich. According to Robert Reich (Bill Clinton’s Labor Secretary) in 2005 Bill Gate’s wealth was worth $46.5 billion and Warren Buffet $44 billion. That year, the combined wealth of the 120 million people who made up the bottom 40 percent of the U.S. population was around $ 95 billion- barely more than the sum of the fortunes of the two men.

Azizur Rahman Khan(2010) a Bangladeshi economist living in U. S. for a long time, delivered a Public Lecture in BIDS (Bangladesh Institute of Development Studies) on ‘Growth, Inequality and Poverty in Our Times’, a personal reflection and how Bangladesh has overcome from poverty to present living standard during last sixty five years and termed it as dramatic transformation. Although he started with Bangladesh, but he moved to different arenas of development and cited from the situations of U.S. and then discussed development situation of various developing countries, even the contents of text book authors of those days when he was studying. He continued in the pursuit of inequality and how it averse growth.

Khan’s discussion on ‘Historical Evolution of Concern for Equality and Poverty’ (section-iii) is a case study in our context. Given the rate of growth of income, a rise in inequality can have three possible kinds of effect on poverty. However, the actual reduction in poverty must be attributed to the increase in inequality and his conclusion is as follows: “any increase in equality must be considered a cause of increase in poverty- the prevalence of a poverty rate in excess of what it would have been had inequality not increased— unless it can be shown that in the absence of an increase in inequality growth itself would have fallen.” Since 1990s a substantial body of literature has actually argued the opposite: certain redistributive policies for greater equity actually help promote faster growth (Alesina and Rodrick, 1994; Deininger and Squire, 1998; and Persson and Tabellim, 1992).An useful summary can be found in Helpman (2004), Chapter 6.

Very recently we came across some startling news on inequality. On June 1, 2014 in The daily Prothom Alo an article was published by Kamal Ahmed in Bangla on the 'Increase of Income in the World of Inequality'. It portrays how concentration of wealth and property are taking place throughout the world. On May 27, 2014 in London a conference took place on 'Inclusive Capitalism: Building Value and Renewing Trust'. Much discussion was held on the evils of capitalism and efforts were made to give an human-touch coverage on those evils to sustain capitalism. While speaking in the forum, IMF chief Christin Lagan mentioned that the wealth of top 85 persons is equal to those of 380 crores poor people of the world. He said that as inequality increases, capitalism is becoming less participatory. In a publication of the conference it was mentioned that the money value of the 85 persons amounts to $ 1.7 trillion. Christin Lagan, in another speech said that after 2009, 95% of the increased world income went to 1% richest persons and the rest 90% people became poor. That is, only 9% of people got some share of increased income.

It is evident from whatever we have discussed on both the countries safely one can conclude that the trends of concentration of wealth and income in the hands of very few persons, deprivation of large majority of people leading to the creation of a society far from our expectation and for which we will have to pay heavily. We can hardly guess about such penalty (consequences). Similar is the situation prevailing in almost all the countries of the world, in BRICS and EU countries, and all the countries irrespective of the followers of capitalism, socialism and the mixed including the countries follow so- called 'islamic economics'. Eminent economists, social reformers and peace-lovers are continuously reminding us its dire consequences, but the beneficiaries are not paying proper attention to their warnings. It is unfortunate, no doubt.

5. Ultimate Objectives of Economic Policy & Alternatives Left for Us:

Richard Layard (2005), possibly rightly said, “ Economists have had little to say about the links between what individuals do and what gives rise to happiness or a sense of happiness or a sense of well-being, so they focus on much narrow of consistency". Research over the last quarter century has shown that individuals do not act consistently- but in a way that are markedly different from those predicted by standard model of rationality. They are, in the sense, predicted rationality. It is easy to lose sight of the ultimate purpose of economic policy: the life satisfaction. That ultimate goal should be unassailable for a country founded precisely to defend the inalienable right to the pursuit of happiness. Yet not only do we miss my myriad opportunities to promote happiness through our collective undertakings, we even miss the opportunities to measure happiness so that we can gauge how we are doing as nation. There have been growing efforts to expand the range of indicators to measure better what's important for our well-being. The World Values Survey and Gallup International have each pioneered various measures of subjective well-being, which psychologists and economists have found to be stable, slowly evolving for social diagnostics. The Human Development (HDI) is another well-known attempt to combine economic indicators with social indicators (literacy, school enrolment, and life expectancy) to give more rounded picture of well-being.

No country has taken the challenge of measuring and raising, happiness more seriously than the Himalayan Buddhist Kingdom of Bhutan. The Government of the Bhutan established Gross National Happiness Commission to oversee a series of metrics that would quantify and track the changes in the national happiness. GNH is measured in nine domains:

- Psychological well-being
- Time use
- Community vitality
- Culture
- Health
- Education
- Environmental diversity
- Living standard
- Governance

Each of these measured by a series of quantitative indicators. What is not notable is the combination of relatively standard economic measurements such as household and education with measures of cultural integrity (e.g., use of dialects, engagement in traditional sports and community festivals), ecology (Days per month), community well-being (social trust kinship density), time allocation, and general mental health (e.g., indicators of psychological distress).

The worldwide movement to measure happiness and the quality of life is now expanding very rapidly. In 2005, the Economist Intelligence Unit demonstrated that quality-of-life" across countries is reasonably well explained statistically by a combination of measurable economic, political, health, job security, and the community indicators. Many scholars have confirmed similar results in recent academic studies. Recently the French government convened a commission headed by Joseph Stiglitz and Amartya Sen to propose a new set of indicators, and in 2010 the U.K. government announced that it would directly monitor subjective well-being in annual surveys.

Table-2: Indicators of National Well-Being (Rankings, with 1= "Best")

Country	Gallup International Life Satisfaction (178 Countries Ranked)	OECD Child Well-Being Ranking (21 Countries Ranked)	Life Expectancy at Birth (192 Countries Ranked)	OECD PISA Rankings (65 Countries Ranked)	OECD Poverty Rate (16 Countries Ranked)
United States	14	17	6	17	16
Denmark	1	5	5	24	1
Finland	2	3	4	3	5
Netherlands	4	1	4	10	6
Norway	3	6	3	12	5
Sweden	4	2	3	19	2

Source: Gallup, OECD Statistical Databases, World Health Organization.

(Reproduced from: Jeffrey D. Sachs, The Price of Civilization, p- 208)

Table-2 illustrates the kind of well-being measures that would collected each year in addition to the standard national income accounts. Gallup International, for example, uses opinion surveys to asses the average life satisfaction" in 178 countries by asking, All things considered, how satisfied you with your life as a whole are these days?" The OECD has created an index of child well-being that aggregates over six dimensions: material conditions, housing, education, health, risk behaviors, and quality of school life. Other indicators might include variables such as life expectancy, student test scores, and the poverty rate, all shown in the table. It shows comparative picture of six high-income countries wherein relative on specific indicators reveal.

At end of our discussion we can mention some recent data on income inequality as Andy Serwer(2013) puts in Editor's Desk .Both liberal and conservative economists agree that income inequality or income disparity in America has increased since the 1970s. The Congressional Budget Office October 2011 report "Trends of the Distribution of Household Income Between 1979 and 2007" shows that during the last 28-year period overall real wages (after tax) household income grew 62%. But for the top 1% of earners, income grew 275%, and for the bottom 20% of earners, household income grew only 18%.If this trend is not checked in all countries, the there will be serious repercussion in the entire social fabric would be polluted and human civilization would be at stake. It is just like cancer in our social body which needs early solution.

6. Conclusion:

Our study concentrates mostly in the context of developed countries and the availability of data in those countries helped us also. Again, the realization and initiative for redressing those started from their ends. But at the present age of rent-seeking and deterioration of ethical values, in developing countries are not lagging behind. Rather, widespread corruption and absence of rule of laws (in other words the lack of, sometimes inoperative of appropriate economic and political institutions) are no less important. It may be noted here that at the same time the national and international bodies are not less vocal and they are publishing various publications in print and internet media for making people aware. However, vigorous efforts from various fronts are needed and strict laws against all sorts of malpractices must be enacted; measures against corruption and exploitation be taken. Education, especially religious/moral education should be a weapon to upgrade the ethical values of our educated people. The International Economic and Social bodies can extend support in a number of ways: in improving HDI, identifying the causes leading to income inequality and how those can be curved and conducting research in relevant areas.

References

Acemoglu and Robinson, 2012. *Why Nations Fail*, Crown Publishers, New York,

Ahmed, K., 2014. 'Increase of Income in the World of Inequality'. The Daily Prothom Alo, June 1.

Alesina and Rodrick 1994. *Deininger and Squire 1998*. and Persson and Tabellini 1992. A useful summary of the arguments can be found in Helpman 2004. Chapter 6.

Brooks, David, 2011. *The Social Animal, The Hidden Sources of Love, Character and Achievement*, Random House, New York,

Bonikbirtha, 2013. December, 3.

Clinton,Bill, 2012. The Case for Optimism, Time, October.

Dasgupta, Partha, 2013."Getting India Wrong", Book Review of two books by (1) An Uncertain Glory: India and its Contradiction by Jean Dreze & Amartya Sen. And (2) Why Growth Matters: How Economic Growth in India Reducing Poverty by Jagdish Bhagwati & Aravind Panagaria, Prospect, August.

Freeland,Crystia, 2012. *Plutocrats, Rise of the New Global Super-Rich and the fall of Everyone Else*, The Penguin Press, New Work,

Greenspan,Alan 2007, 2008. *The Age of Turbulence, Adventures in a New World*, Penguin Books.

Helpman, E., 2004. *The Mystery of Economic Growth*, Cambridge, Belknap: Harvard University Press.

Jalil, M. A., 2014. " The World Economic Power Game: Amazing Development of China during the Last Thirty Five Years". *The Prime University Journal*, July-December,2013