**Beyond GDP: The pursuit of economic happiness**

**President Sarkozy and the King of Bhutan seek domestic joy through pursuit of GDH.**

**By Don Pittis, CBC News** [**CBC News**](http://www.cbc.ca/news/credit.html)

﻿ *Don Pittis* French President Nicolas Sarkozy has announced he doesn't like gross domestic product. And he is not alone. The King of Bhutan and many other people feel the same way.

GDP, as the economic yardstick is known to its closer friends, is supposed to measure how well countries are doing and how much things are improving.

To do that, it measures one main thing: money.

Now there is nothing wrong with money. Even Sarkozy likes it. But the big question raised by le Président de la République and his expert panel of economists was, "Is money enough?"

**GDP isn't everything**

GDP is a strange beast.

If you chop down a forest, GDP goes up. If you get in a car crash and everyone is taken away by ambulances and tow trucks, GDP goes up.

If you have a massive heart attack, a triple bypass and you expire on the operating table, you have just created a GDP windfall. You've generated money not just for the people tallying up your medical bills, but for lawyers and undertakers too.

But if you take out your neighbours' trash while they are away, or help an old lady down the stairs of a bus with her parcels, or sit down for a leisurely home-cooked meal with friends and family, GDP is unaffected. Well, of course it isn't. Who would be so crass as to put a dollar value on such things?

According to the economic theory behind GDP, money is supposed to measure well-being. And in a way it does. If bottles of wine or an iPod didn't make you happy, you wouldn't spend money on them. If as a population we buy more cars and food and computers and beer, we are getting more and more satisfied.

**Measuring well-being**

But there is a growing body of evidence that some of the things GDP fails to capture have a huge and measurable impact on well-being.

Political scientist Robert Putnam, in his book *Bowling Alone*, suggests a direct relationship between the number of neighbours you know by first name and how long you live. His book has many other good examples of the value of human companionship.

There's another great case study in the book *Getting to Maybe*, written by a group of authors that includes Prof. Brenda Zimmerman of the Schulich School of Business at York University. They spotlight a Vancouver program called PLAN to help disabled children whose aging parents eventually won't be around to look after them.

Although money was important to the children's future, they discovered that relationships were perhaps more important. "Relationships did not lead to quality of life," they found, "they were quality of life."

To help the disabled offspring, the group put an enormous amount of effort into building up existing — and creating new — social connections. And they found it worked.

Feminist economists have done a lot of work on this kind of thinking, usually rejected out of hand by "mainstream" economics. Unpaid and uncounted labour in the home is an obvious objection to the conventional view. But more complex and interesting are concepts like intergenerational reproduction, where crucial values that make societies truly rich are transmitted (or not transmitted) outside the marketplace.

**GDP versus GDH**

Perhaps the greatest master of measuring non-GDP well-being is the King of Bhutan. Several years ago, that South Asian country dropped the idea of GDP. Instead, its people adopted a measure called GDH, or gross domestic happiness.

Rather than chopping down trees, they plant them. People take it slow, spending a lot of time with their families and livestock, and having a lot of festivals. It might not work here, but the Bhutanese could have a few ideas for Sarkozy.

In the meantime, it sounds like France's new anti-GDP report, with the windy title The Measurement of Economic Performance and Social Progress Revisited, would be worth a detailed read. I plan to do it justice some day.

But right now, I'm going to go putter in the garden.

Read more: <http://www.cbc.ca/money/story/2009/09/18/f-don-pittis-gdp.html#ixzz0hgjHq4Q9>