Contribution to Beyond GDP, "Virtual Indicator Expo"

http://www.beyond-gdp.eu

Name of the indicator/method: **Happy Planet Index**

Summary prepared by: **Laura Stoll, The new economics foundation**

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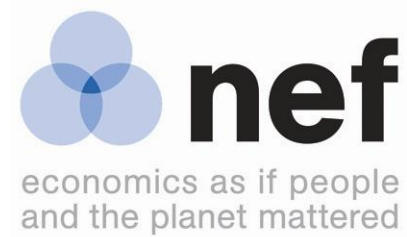
The Happy Planet Index:
An index of sustainable well-being

*Centre for Well-Being, **nef** (the new economics foundation), UK*

The Happy Planet Index (HPI) measures the extent to which countries deliver long, happy, sustainable lives for the people that live in them. The Index uses global data on life expectancy, experienced well-being and Ecological Footprint to calculate this.

The Index is an efficiency measure, it ranks countries on how many long and happy lives they produce per unit of environmental input.

It was developed by **nef** (the new economics foundation) in July 2006 as a headline indicator of progress. The first report presented HPI scores for 178 countries across the globe. Since then, **nef** has also produced a European HPI, in 2007, a second global report in 2009, and a third global HPI report in June 2012.

Measuring what matters

Most measures of national progress are actually just measures of economic activity; how much we are producing or consuming. By only using indicators like GDP to measure success we are not accounting for what really matters: producing happy lives people now and in the future.
The HPI puts current and future well-being at the heart of measurement. It frames the development of each country in the context of real environmental limits. In doing so it tells us what we instinctively know to be true – that progress is not just about wealth.

It shows that while the challenges faced by rich resource-intensive nations and those with high levels of poverty and deprivation may be very different, the end goal is the same: to produce happy, healthy lives now and in the future. This is not dissimilar to the definition of sustainable development from the Brundtland Commission as that which:

> *"Meets the needs of the present without compromising the ability of future generations to meet their own needs"[i].*

The HPI demonstrates that the dominant Western model of development is not sustainable and we need to find other development paths towards sustainable well-being.

How the HPI is calculated

The Index uses global data on life expectancy, experienced well-being and Ecological Footprint.

$$\text{Happy Planet Index} \approx \frac{\text{Experienced well-being} \times \text{Life expectancy}}{\text{Ecological footprint}}$$

Each of these components is based on a separate measure:

Experienced well-being. If you want to know how well someone's life is going, your best bet is to ask them directly. In this year's HPI, experienced well-being is assessed using a question called the 'Ladder of Life' from the Gallup World Poll. This asks respondents to imagine a ladder, where 0 represents the worst possible life and 10 the best possible life, and report the step of the ladder they feel they currently stand on.

Life expectancy. Alongside experienced well-being, the HPI includes a universally important measure of health – life expectancy. We used life expectancy data from the 2011 UNDP Human Development Report.

Ecological Footprint. The HPI uses the Ecological Footprint promoted by the environmental charity WWF as a measure of resource consumption. It is a per capita measure of the amount of land required to sustain a country's consumption patterns, measured in terms of global hectares (g ha) which represent a hectare of land with average productive biocapacity.

See Appendix 1 in our 2012 report for a full methodology.

What the HPI shows

Countries in HPI rank		Life Exp	Exp well-being	Footprint	HPI
	2050 target	87.0	8.0	1.7	89.0
1	Costa Rica	79.3	7.3	2.5	64.0
2	Vietnam	75.2	5.8	1.4	60.4
3	Colombia	73.7	6.4	1.8	59.8
4	Belize	76.1	6.5	2.1	59.3
5	El Salvador	72.2	6.7	2.0	58.9
6	Jamaica	73.1	6.2	1.7	58.5
7	Panama	76.1	7.3	3.0	57.8
8	Nicaragua	74.0	5.7	1.6	57.1
9	Venezuela	74.4	7.5	3.0	56.9
10	Guatemala	71.2	6.3	1.8	56.9
11	Bangladesh	68.9	5.0	0.7	56.3
12	Cuba	79.1	5.4	1.9	56.2
13	Honduras	73.1	5.9	1.7	56.0
14	Indonesia	69.4	5.5	1.1	55.5
15	Israel	81.6	7.4	4.0	55.2
147	Mali	51.4	3.8	1.9	26.0
148	Central African Republic	48.4	3.6	1.4	25.3
149	Qatar	78.4	6.6	11.7	25.2
150	Chad	49.6	3.7	1.9	24.7
151	Botswana	53.2	3.6	2.8	22.6

Table 1: Happy Planet Index and subcomponents for top 15 and bottom 5 ranked countries (colours represent performance in comparison with key thresholds)

On a scale of 0 to 100 for the HPI, we have a target for nations to aspire to by 2050 of 89. This is based on attainable levels of life expectancy and well-being and a reasonably-sized Ecological Footprint.

The new results confirm that we are still not living on a happy planet. No country is able to combine success across the three goals of high life expectancy, high experienced well-being and living within environmental limits.

Whilst many high-income countries score low because of their large Ecological Footprints, the lowest income countries in sub-Saharan Africa tend to rank even lower because of low life expectancy and low well-being.

High and medium development Latin American countries score highest in delivering fairly long and happy lives with a relatively low Ecological Footprint.

The HPI can also be used to plot countries in terms of their Ecological Footprint and Happy Life Years (Figure 1). The target is the top left corner – high Happy Life Years and a Footprint below 1.8 g ha. Countries like Costa Rica are close to this target, though not there yet. High-income countries are spread across the top, from the top middle to the top right. Qatar, for example, has an average experienced well-being score of 6.6 out of 10, and life expectancy of 78.4 years (both below those of Costa Rica). And yet its Footprint is 11.7 g ha per capita – over four times higher than Costa Rica's. As a result it ranks 149th out of 151 countries in this year's HPI. New Zealand, by contrast, achieves much higher experienced well-being (7.2 out of 10) and life expectancy (80.7 years), but with a much smaller Footprint – 4.3 g ha per capita. This is still far from being sustainable (being over twice the fair share of 1.8 g ha per capita), but the difference highlights that even amongst high-income countries, there is room for manoeuvre. As a result, New Zealand ranks 28th in the HPI.
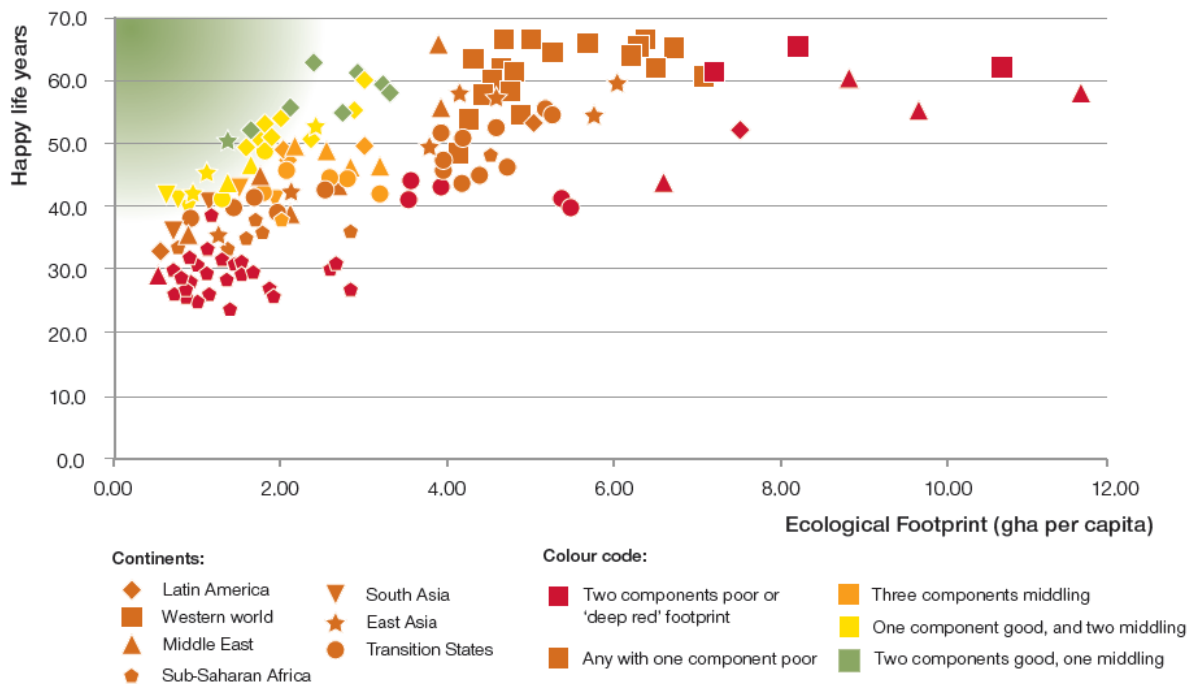
Figure 1: Ecological Footprint and Happy life years

Whilst the HPI can provide an overall sense of direction, further indicators are of course needed to shape policy and flesh out the details of societies that can achieve good lives without costing the Earth. With that in mind, nef is starting to build a coalition of organisations to develop a framework for measuring societal progress.

This framework, we believe, should start by distinguishing between three different spheres: our goals (in terms of well-being for all), our scarcest resources (limited ecological resources), and the processes and systems which should be designed to achieve maximal well-being outputs with minimal resource inputs (Figure 2).
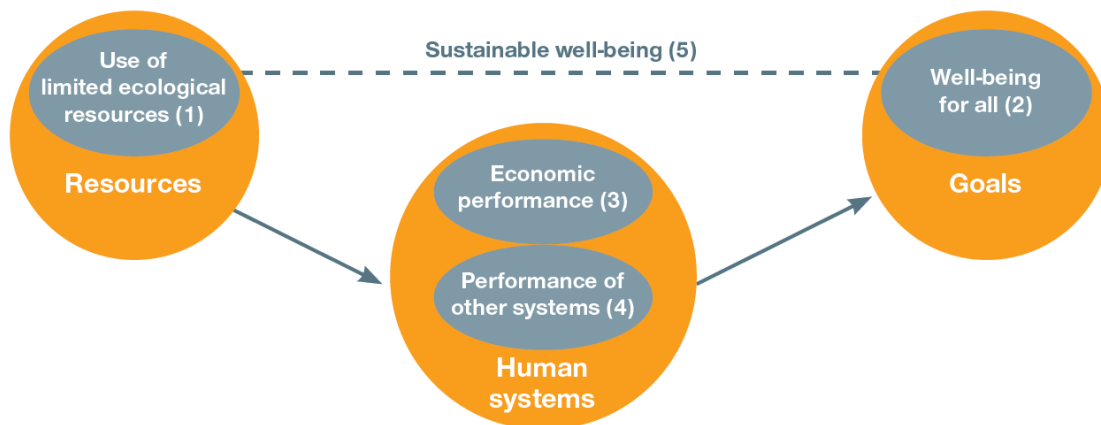

Figure 2: Framework for measuring societal progress

For policy-making, in-depth measurement is needed within each of the spheres in the figure. But we also suggest the identification of five key headline indicators which provide an overall picture of how we are doing. The numbers within the diagram relate to these headline indicators:

1) A measure of environmental pressure per capita (for the resources sphere)
2) A measure of the percentage of the population flourishing (for the goals sphere).
3) A measure of economic performance – how well is the economy doing in terms of delivering sustainability and well-being for all (for the economic half of the human systems sphere)?
4) A measure or set of measures of the other (non-economic) policy-amenable drivers of well-being for all (for the remaining human systems).

5) A measure of well-being per unit of environmental pressure (the HPI, or an HPI-like measure; connecting the resources and goals spheres).

We propose that this framework is linked together, so that the headline indicators connect to the more detailed ones, providing a more joined-up approach to policy-making which puts the overall goals of society at the heart of political decisions.

Alongside the latest report, **nef** launched the Happy Planet Charter.

The Happy Planet Charter

We need new measures of human progress.

The Happy Planet Index offers us an excellent example of how such measures work in practice. It shows that while the challenges faced by rich resource-intensive nations and those with high levels of poverty and deprivation may be very different, the end goal is the same: long and happy lives that don't cost the earth.

We must balance the prominence currently given to GDP with those measures that take seriously the challenges we face in the 21st century: creating economies that deliver sustainable well-being for all.

By signing this charter we:

- Call on governments to adopt new measures of human progress that put the goal of delivering sustainable well-being for all at the heart of societal and economic decision-making;
- Resolve to build the political will needed across society to fully establish these better measures of human progress by working with partner organisations;
- Call on the United Nations to develop an indicator as part of the post-2015 framework that, like the Happy Planet Index, measures progress towards the key goal for a better future: sustainable well-being for all.

More information & References

www.happyplanetindex.org   *www.neweconomics.org*

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i   UN World Commission on Environment and Development (1987) *Our common future* (Oxford: OUP).