

Happiness Index of Nepal; Rhetoric and Reality: A Sustainable Development Prospective

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Abstract

This article aims to examine the scenario of happiness index of Nepal on sustainable development perspective. Happiness Index is a tool of measuring the psychological well-being of an individual and community. The measurement of subjective emotion is quite complex. It has multidisciplinary domains. The research is based on secondary sources of information. The conclusion is drawn by analyzing both qualitative and quantitative data. Nepalese happiness index is more fluctuated. Despite the socio-economic disparities of the society, the happiness index of the country is remarkable. Nepal is ranked in 92th out of 147 countries in happiness index whereas it is ranked in 85th out of 167 countries in the world in sustainable development. Sustainable development is comprehensive approach towards the progress of nation that provide equal significant to the subjective well-being. The article examined that the sustainable development goal could not cover the entire issue of happiness domain. Social support, community support, good governance, job satisfaction, generosity and socio-cultural engagement are some of the missing indicators of sustainable development on happiness index.

Keywords: Happiness index, sustainable development index, subjective well-being, comprehensive approach, generosity

Introduction

Happiness is the subjective emotional state that includes both pleasant emotions and a sense of well-being. Happiness is defined by sentiments of joy, contentment, and satisfaction. It encompasses a deeper sense of fulfillment and purpose and goes beyond simple pleasure. Numerous things, such as relationships, accomplishments, and personal viewpoints might affect happiness. The measurement of happiness index is more comprehensive that evaluate happiness, satisfaction, well-being, sustainability and resilience of human being.

The history of happiness index goes back to the 1970s where Bhutan started to focus on happiness rather than economic accumulation. Helliwell et al. (2012) states that King Jigme Singye Wangchuck, Bhutan's 4th king introduced the concept of gross national happiness. He believed that gross national happiness holds the greater significance than domestic product, non-economic factors contributing to citizen's well-being should be accorded equal significance. In Bhutan, GNH (Gross National Happiness) is assessed through the GNHI (Gross National Happiness Index). Musikanski et al. (2017) explained that the Bhutanese Gross National Happiness Commission, which includes the Prime Minister, secretaries of various ministries, and other senior officials, is responsible for making sure that all development policies and plans are created and carried out in accordance with the principles of GNH.

On 2nd April 2012, the Royal Government of Bhutan organized a 'High Level Meeting on Wellbeing and Happiness: Defining a New Economic Paradigm' at the United Nations Headquarters in New York (United Nation, 2012). The conference aimed to develop a new global economic framework centered on wellbeing and sustainability, in response to the

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widespread decline of the current system worldwide. The global desire for change was demonstrated when the 193 member states of the United Nations General Assembly unanimously adopted Resolution 65/309 on "Happiness: Towards a Holistic Approach to Development" (UN, 2013).

Happiness and satisfaction of human being are universal fundamental goal and aspiration. Goldberg (2022) mentions that "higher GDP is nothing, wellbeing is". In addition, Bhide (2017) states that Gross National Happiness (GNH) is both a perspective on growth and an index used to assess the overall happiness of a nation's population. After the realization of GNH rather than GDP, the first happiness index report published in 2012. LinkedIn (2012) presents that the happiest country of the world were northern European countries for instance; Denmark, Norway, Finland and Netherland scoring 7.6 on a 0-10 scale; where 0 means extremely unhappy and 10 means extremely happy.

Furthermore, Zong (2024) presents that Finland was named the happiest nation in the world seven times in a row until 2024, when the first World Happiness Report was released in 2012. The report is based on data from the Gallup World Poll, which asks respondents to rate their level of happiness and quality of life on a scale of 0 to 10. SDSN (2012) presets that March 20 is recognized as the International Day of Happiness, established through a United Nations resolution passed in 2012 and presents a world happiness report annually.

The domain of a happiness index emphasizes the connection between environmental responsibility and well-being, particularly when it comes to sustainability. It implies that people's happiness and general quality of life can be enhanced by sustainable practices and regulations. We can better understand how many elements of a community, such as its growth and design, affect the well-being of its residents by measuring happiness in conjunction with sustainability. The resolution of United Nation highlighted the happiness as a fundamental human goal and advocates for a more comprehensive approach to public policy and economic growth that considers happiness and well-being as vital components of sustainable and equitable development. The aim of this article is to examine the happiness index scenario of Nepal on sustainable development perspective.

Method and Material

The research is based on the secondary sources of information. For this review, several journal articles, newspaper, books, government report and annual reports of happiness index were examined as secondary sources of data, from which conclusions were drawn and summarized. Both qualitative and quantitative information form the various sources are used to examine the fact of happiness index of Nepal and compared to the south Asian countries.

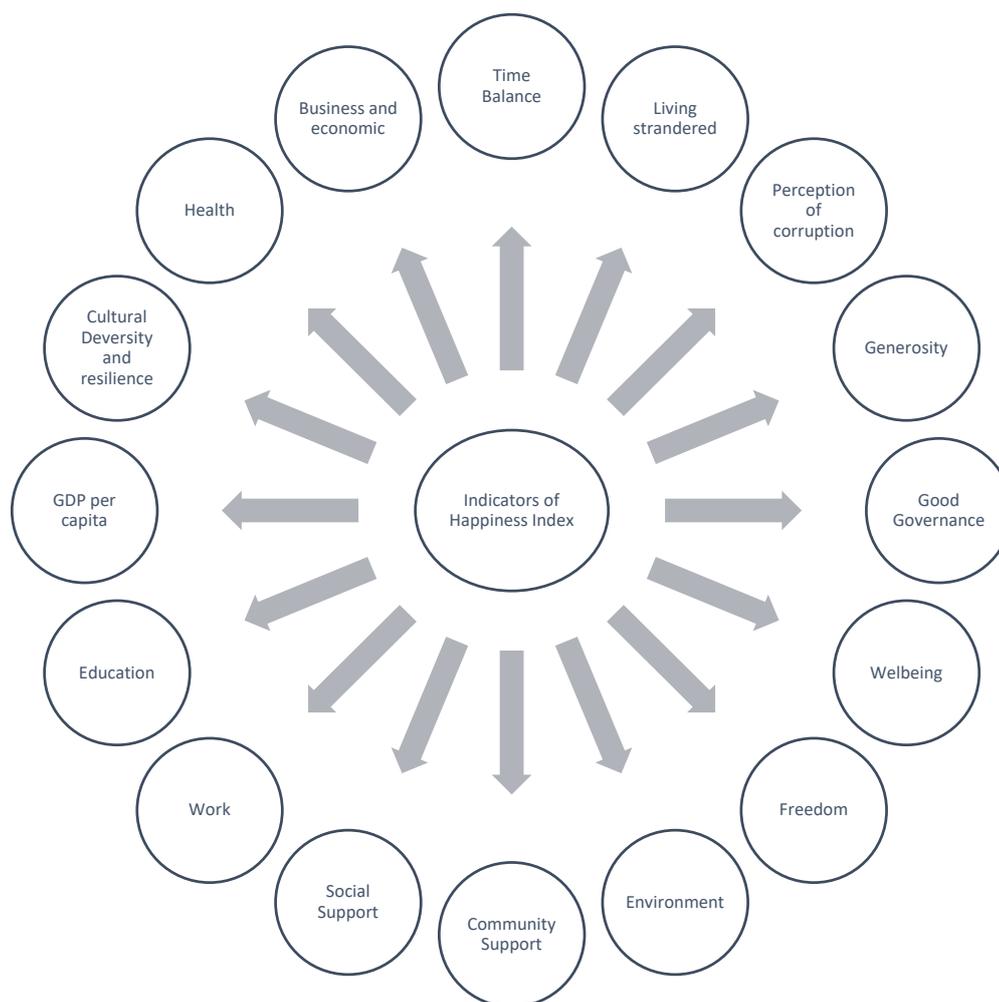
Result and Discussion

Overview of Domains of Happiness Index and Sustainable Development Goal

Happiness index is a complex and more comprehensive academic discourse. Complex idea examined from multiple disciplinary perspectives. It includes subjective well-being, which covers emotional experiences such as joy and satisfaction, as well as objective indicators like life satisfaction and general flourishing. Ovalle et al. (2024) explain that psychological well-being has been shown to have a negative relationship with academic performance, whereas cognitive well-being is positively linked.

Good governance, long-term socio-economic progress, protection of the environment, and preservation of cultural heritage are the four foundational pillars outlined in Gross National Happiness (UNSDSN, 2013). Under the four pillars there are nine domains including living standard, education, health, environment, community, vitality, time- use, psychological well-being, cultural resilience and promotion. Based on the pillars, figure 1 presents the different indicator of happiness index to measure the happiness or well- being.

Figure: 1
Indicator of Happiness Index



Source: United Nations Sustainable Development Solutions Network (UNSDSN), 2013

The domain of happiness index is multidimensional concept that cover both tangible and intangible things. The human development index and happiness index seems to be similar however the highest human development index countries might have less happy countries and less happy countries might have high happiness index for instance Switzerland, Hung Kong, Denmark, and Sweden got the high score of human development index unlike that Finland, Denmark and Iceland got the high score of happiness index (UNSDSN, 2025).

The World Happiness Report employs statistical analysis to identify the happiest countries in the world. Since 2013, they have been publishing reports are based on the analysis of indicators of each country's happiness index. GNH (2012) states that the Happiness Index is a composite metric rather than a single indicator, used to evaluate the overall well-being of a population. It extends beyond traditional economic measures such as GDP to incorporate social and environmental factors. Common key indicators include GDP per capita, social support, community support, working environment, business and economy, healthy life expectancy, time use, education, freedom to make life choices, generosity, and perceptions of corruption. The purpose of the index is to offer a more comprehensive perspective on societal progress and to guide policy decisions aimed at enhancing quality of life in a sustainable manner.

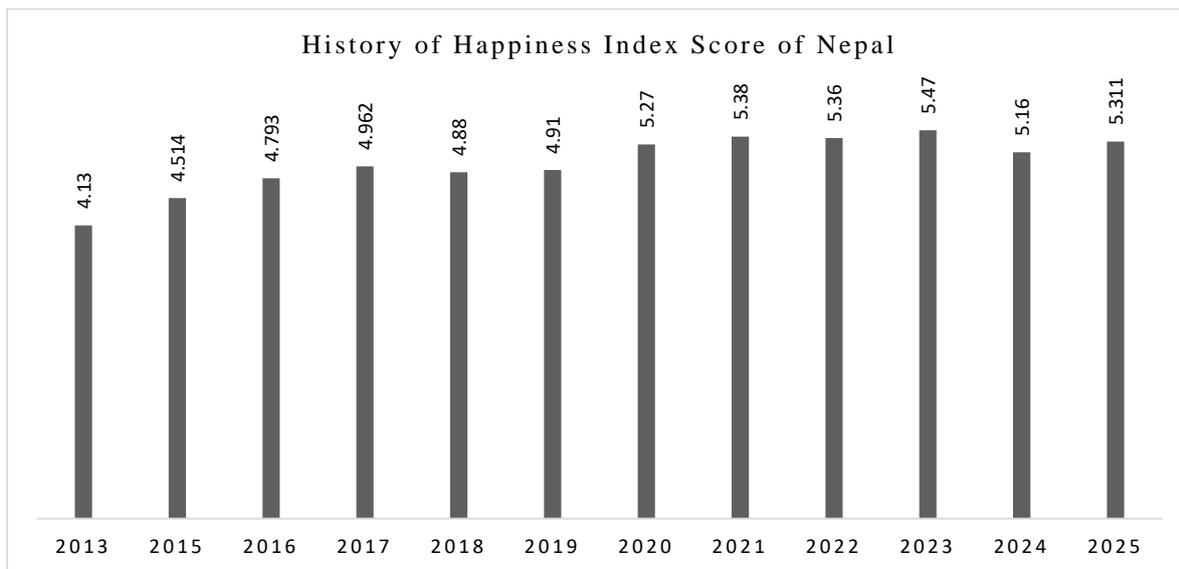
A conceptual framework of happiness index is examining the connections between sustainable development and well-being indicates that the Sustainable Development Goals (SDGs) are closely linked to the key factors influencing well-being. These factors include income, social

support, generosity, freedom, trust in government, and health. However, there is considerable variation among the different SDGs in how they relate to subjective well-being (SWB). Notably, some environmental objectives, such as Goal 12 (responsible consumption and production) and Goal 13 (Climate Action), show significant negative correlations with SWB.

Overview of Happiness index of Nepal

The United Nations World Happiness Report presents as an international indicator of well-being and life satisfaction, assessing a range of factors that influence people's overall happiness. Nepal happiness index is more fluctuated since the first report.

Figure: 2 History of Happiness Index Score of Nepal



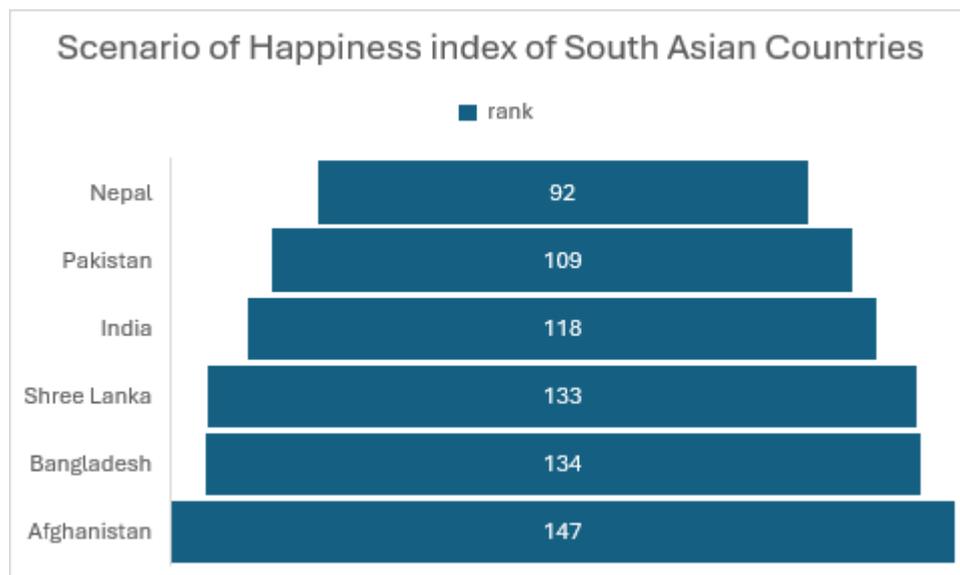
Source: *The Global Economy Report, 2024, UNSDSN, 2025*

The most recent figure of happiness index score for 2025 is 5.31 that is a bit increased from 2024. In 2024 the score was 5.16 points, representing a decrease from 5.47 points in 2023. Globally, the average stands at 5.56 points, derived from data across 138 countries. Historically, Nepal’s average from 2013 to 2024 has been 4.99 points. The lowest value of 4.16 points was recorded in 2013, while the highest of 5.47 points stand in 2023.

Although Nepalese happiness index is quite fluctuated, Nepal is in a top score of happiness in south Asia. Happiness score of India is 4.389, Sri Lanka 3.891, Bangladesh 3.85 and Afghanistan 1.364 in 2025 (UNSDN, 2025). It is proved that the economically wealthy, advancement of technology, high production, access of advanced facilities are not sufficient for the happiness of people. Nepal is a land of diversity in terms of culture, religion, geography, language, food, and climate. Diversity is the beauty of nation that brings happiness to the societies. Traditional culture, festivals rituals and spirituals help to unite together and support to each other.

Happiness Index Rank of south Asian countries and Nepal 2025

Nepal is developing country of south Asia situated between the most growing powerful nations of the world. Although Nepalese HDI rank is 145 that scored 0.622 with medium Development out of 193 countries, the happiness index of Nepal is in top among the SAARC countries (UNDP, 2025). In the contrary, the rest of the SAARC countries HDI are Bhutan (125), Afghanistan 181, India, and Bangladesh (both at 130), all of which are classified within the medium HDI group. Sri Lanka (89) and the Maldives (93) lead the region with high human development scores, indicating better performance in education, health, and income indicators.

Figure: 3*Scenario of Happiness Index of South Asian Countries 2025*

Source: United Nation Sustainable Development Solution Network (UNSDSN), 2025

Nepal is top in the South Asia with a global ranking of 92nd, while India comes in third at 118th in the 2025 world happiness report. Bangladesh is ranked 134th, Sri Lanka is ranked 133rd and Pakistan is ranked 109th. Afghanistan continues to rank at the lowest position, indication the ingoing humanitarian crisis that has continued since the Taliban regained power in 2020. Although Bhutan and Maldives are not ranked in the 2025 happiness index, Bhutan is the founder country of GHN. The GDP per capita income, social support, community support, healthy life expectancy and freedom to choose are some of the variables that go into these rankings. Despite experiencing economic challenges, political crisis, and development obstacles, Nepal is considered a happier country than its neighbor India, which is ranked 12th among the world's most powerful nations. China is positioned 68th on the list of the happiest countries (Raising Nepal, 2025).

Ovaska and Takashima, (2006) remarked that Gross Domestic Product does not differentiate whether the financial activities of the state have positive and negative effects in well-being of the people. In addition, Frank (1997) stated that GDP overlooks hidden costs associated with economic growth, such as inflation and unemployment, and an overreliance on GDP can undervalue important aspects of well-being like natural resources, knowledge, health, and social capital. Therefore, happiness should involve not only measurable objective indicators of well-being, such as health and socioeconomic status, but also emotional/psychological measures, including satisfaction in various life domains and overall quality of life.

Sustainable Development Goal on Happiness Index of Nepal

The Sustainable Development Goals is the extensive, intricate, and sometimes challenging discourse within the international community, involving our nation's leaders and numerous stakeholders from various countries and sectors. It is almost miraculous that the roots of cultures and spiritual philosophies that have shaped the lives of numerous communities worldwide for centuries are reflected in these seventeen goals as we sense the emerging future.

National Planning Commission, NPC (2017) stated that the goal of Nepal is to create a "Prosperous Nepal, Happy Nepali" and has incorporated the Sustainable Development Goals (SDGs) into its national development agenda. According to an SDG index, Nepal is ranked third among South Asian countries for its progress toward the SDGs. UNDP (2025)

presented that Nepal got 68.6 SDG score and 85th rank out of 167 countries. Although there have been some fluctuations, Nepal's Happiness Index generally shows a positive correlation with the nation's progress toward the SDGs, especially in areas like health, education, and poverty reduction.

Table 1
Sustainable Development Goal on Happiness Index

SDG goal	Indicators	Value
SDG1 – No Poverty	<ul style="list-style-type: none"> Poverty headcount ratio at \$2.15/day (%) Poverty headcount ratio at \$3.65/day (%) 	1.0 6.3 2
SDG2- Zero Hunger	<ul style="list-style-type: none"> Prevalence of undernourishment (%) Prevalence of stunting in children under 5 years of age (%) Prevalence of wasting in children under 5 years of age Minimum dietary diversity among children aged 6–23 months (%) 	5.7 24.8 7.0 48.2
SDG3 – Good Health and Well-Being	<ul style="list-style-type: none"> Subjective well-being (average ladder score, worst 0–10 best) Life expectancy at birth (years) Universal health coverage (UHC) index of service coverage (worst 0–100 best) 	5.3 70.4 53.7
SDG4 – Quality Education	<ul style="list-style-type: none"> Participation rate in pre-primary organized learning (% of children aged 4 to 6) Net primary enrollment rate (%) 98.0 Lower secondary completion rate (%) 104.3 2023 • A Literacy rate (% of population aged 15 to 24) 	80.0 98.0
SDG5 – Gender Equality	<ul style="list-style-type: none"> Demand for family planning satisfied by modern methods (% of females aged 15 to 49) Ratio of female-to-male mean years of education received (%) Ratio of female-to-male labor force participation rate (%) Seats held by women in national parliament (%) 	60.4 59.9 51.5 33.5
SDG7 – Affordable and Clean Energy	<ul style="list-style-type: none"> Population with access to electricity (%) Renewable energy share in total final energy consumption (%) 	91.3 16.1
SDG8 – Decent Work and Economic Growth	<ul style="list-style-type: none"> Unemployment rate (% of total labor force, ages 15+) Adjusted GDP growth index (worst 0–100 best) Fundamental labor rights are effectively guaranteed (worst 0–1 best) 	10.7 66.5 0.50
SDG10 – Reduced Inequalities	<ul style="list-style-type: none"> Gini coefficient Palma ratio 	30.0 1.1
SDG11 – Sustainable Cities and Communities	<ul style="list-style-type: none"> Proportion of urban population living in slums (%) Access to improved water source, piped (% of urban population) Population with convenient access to public transport in cities 	40.1 52.4 48.7

Source: Sustainable Development Solution Network (UNSDSN), 2025

In Nepal, UNDP (2025) shows the poverty and inequality are significant challenges, achieving the SDGs related to poverty reduction, access to education and healthcare, and environmental sustainability, zero hunger gender equality are crucial for improving the happiness and well-being of its citizens. The analysis demonstrates that because of enduring disparities, Nepal continues to suffer significant losses in human development. Due to disparities in gender, caste, geography, and other factors, Nepal has continued to lose more than 25 percent of its human development. A nation's loss of human development rises in tandem with its level of inequality. However, the report shows the average achievement of the goals regarding the poverty, inequality, unemployment, economic growth and good health and well-being over the previous year.

SDI, HDI and happiness index are fundamental pillar of well-being of human being. They emphasize to the welfare of human being as a sustainable manner. HDI Report (2022) presents that female HDI score is 0.584 and a male HDI score of 0.621, which includes nations with a medium level of gender equality in HDI accomplishments (UNDP, 2022). HDI and SDI always focusses on objective thing unlike Happiness index stressed to the subjective evaluation of people's emotions, feeling, satisfactions, and perception of their own life.

Happiness seems to be more closely associated with social equality and a sense of community than with income or vehicle size. When taking into account its different domains, the Happiness Index goes beyond just economic indicators to include social connections, psychological well-being, health, and environmental quality. This is consistent with the idea of sustainable development, which stresses a well-rounded strategy that incorporates social, economic, and environmental factors.

The Missing Happiness Indicators on Sustainable Development Goal

The goals and indicators of the SDGs are used as benchmarks for the Aggregate Happiness Index (AHI) domains and indicators, respectively. Iriarte and Musikansi et al. (2019) analyzed that the SDGs cover 66.7 percent of the aggregate happiness index at the domain level, but only 48.6 percent at the indicator level, 17.9 percent of the AHI subjective indicators and 61.1 percent of the AHI objective indicators are covered by the SDGs indicators. There are significant gaps in the areas of time balance, subjective well-being, and community and social support program.

The continued existence of inequality both within and between nations is one of the main obstacles to reaching the SDGs and happiness index. Progress toward many of the goals is hampered by economic disparities, conflict, unequal access to resources, healthcare and education, political instability and discrimination, based on socioeconomic status, gender, and race. As per Transparency International's 2024 Corruption Perceptions Index, Nepal ranks 108th out of 180 countries. Nepal's Corruption Rank averaged 123.00 between 2004 and 2024, with a record low of 90.00 in 2004 and an all-time high of 154.00 in 2011 (The Kathmandu Post, 2024). Nepal is ranked lower than India (93rd), the Maldives (93rd), and Bhutan (26th) in South Asia. Nepal is followed by Bangladesh (149th), Pakistan (133rd), Afghanistan (162nd), and Sri Lanka (115th) (The Kathmandu Post, 2024).

Figure: 4*Missing Indicator of Happiness Index on Sustainable Development*

Sources: Iriarte and Musikansi, 2019

The domains of sustainable development index and happiness index seem to be similar however there is significant gap in community and social support, cultural importance of life, good governance, housing, job satisfaction and time use. Happiness is not specifically taken into account by the Sustainable Development Goals (SDGs), which have a set of indicators that governments, organizations, and communities all share. However, SDG Goal 3: Well-being is referred to as "good health and well-being." Several dimensions of governance, like as citizen engagement and perceived institutional integrity, might be more precisely defined or assessed within the happiness framework viewpoint, even though other governance concerns are covered (such as rule of law and preventing corruption).

The time balance between the working hour and the personal life is the crucial thing for the happiness of human being. The amount of spending time for recreational/pleasure, relaxation, personal relationship with the nearest and dearest, and the balance between individual life and the working time might be the important aspect of happiness that always missing in the sustainable development metrics. Incorporating these above absent indicators is considered essential for a more comprehensive development strategy that connects human welfare with sustainable development.

Conclusion

The notion of development was directed towards the access of good, facilities and increase the living standard of the people in the past. However, the definition of development is not limited towards the accessibility of necessities. The motto of development at present is happiness and satisfaction of the people. Although Nepal is developing countries that ranked 145th out of 193 in HDI, Nepal could rank in 85th in the SDG rank and

92nd in happiness index. Nepal became a happiest country among the SAARC countries. Despite the fact of social inequality, geographical difficulties, corruption, low access of good and services, weak implementation of plan and policy and political crisis, Nepal became a high rank of happiness index among the south Asian country. Cultural diversity, geographical diversity, social integrity, spirituality and commonness helped to achieve the remarkable happiness score.

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