

Global Prosperity 2017 (08/03/18)

Andy Haldane, the Chief Economist at the Bank of England, was talking to a local community in Yorkshire. He was talking to them about the recovery that followed the financial crash of 2007. "GDP growth has become positive again, and we can expect it to continue at this rate for the foreseeable future," he said. "Your GDP," shouted someone, "not mine".

The heckler was vocalising what many studies have found. Gross Domestic Product (GDP) does not measure economic performance effectively. Too many parts of the economy are not reflected in monetary flows, the monetary flows that are reflected are spread in ways that do not represent the population fairly. And in any event, money is a wholly inadequate measure of human emotion.

The Basis of Economic Success

Ultimately, the success of an economy depends on how well it serves its people. So any measure of economic success has to reflect the human experience of its population, to be useful.

In this paper, we have pulled together a table that shows a measure of economic success based on human experience. It merges a report in 2017 that asked people around the world how satisfied they are in life, with a study in 2015 into life expectancy around the world. The combined outcomes are "Quality Years", because the measure focuses on quality of life, not money. We also use the term "Good Years" which people seem to be able to relate to more easily. The resulting table below shows the total number of Quality Years that an average citizen can expect to live in their country. Top of the list is Switzerland. It provides its citizens with 62.5 good years of life, on average. Bottom of the list is Central African Republic, in which its people can expect only 14.1 good years.

What Makes Life Good?

The new economic accountants are currently wrestling with the best way to measure quality of life. Some refer to it as happiness, others as life satisfaction, prosperity, wellbeing and many other terms. But they all have one thing in common. They all seek to measure human experience.

To do so, they rely heavily on research by psychologists about what makes humans tick. It seems all humans have a combination of needs, wants and hopes that drive our sense of wellness. The accountants firstly look at how well basic survival needs are met, such as food, warmth and physical security. They then look at how well our social and emotional needs are met, such as loving relationships, a sense of belonging and being valued. And they also look at what we can realistically pin on our hopes on, of being relatively free to live our lives how we choose, to believe what we choose, to be free to realise our potential to contribute to society and to achieve a sense of meaning and purpose.

Leading the Pack

Access to money is capable of serving some of our drives. But once our basic needs and wants are met, there is no clear link between our quality of life and our wealth. This is why GDP no longer hacks it. It is why we need these alternative measures of economic success that are emerging, like the one in this paper. They provide more useful information for how best we can organise our societies.

It has become clear how far America has to travel to come first. It is just 18th in the world, despite its vast economic and structural advantages. It is not going to rise to the top by emulating Russia (62nd on the list) or China (76th on the list). But at least now, if "America First" is truly the goal, the country's leaders have the right tools for the job.



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Rank		Good Years	Rank		Good Years	Rank		Good Years
1	Switzerland	62.5	53	Trinidad and Tobago	43.9	105	Bangladesh	33.1
2	Iceland	62.1	54	Romania	43.7	106	Armenia	32.7
3	Norway	61.7	55	Latvia	43.6	107	Georgia	31.9
4	Denmark	60.6	56	Estonia	43.5	108	Iraq	31.0
5	Finland	60.6	57	Lithuania	43.4	109	South Africa	30.4
6	Netherlands	60.4	58	Peru	43.1	110	Myanmar	30.3
7	Australia	60.3	59	Greece	42.3	111	Senegal	30.2
8	Canada	60.1	60	Portugal	42.1	112	Namibia	30.1
9	Sweden	60.0	61	Moldova	42.1	113	India	29.5
10	New Zealand	59.7	62	Russia	42.0	114	Gabon	29.5
11	Israel	59.5	63	Mauritius	42.0	115	Ukraine	29.2
12	Austria	57.1	64	Belize	41.8	116	Ethiopia	28.9
13	Ireland	56.8	65	Turkey	41.7	117	Kenya	28.9
14	Costa Rica	56.3	66	Uzbekistan	41.4	118	Cambodia	28.6
15	Germany	56.3	67	Croatia	41.3	119	Somalia	28.3
16	Luxembourg	56.3	68	Bolivia	41.2	120	Zambia	27.9
17	Belgium	55.9	69	Kazakhstan	40.8	121	Nigeria	27.7
18	United States	55.5	70	Serbia	40.8	122	Mauritania	27.1
19	Singapore	54.6	71	Paraguay	40.6	123	Congo Brazaville	27.0
20	United Kingdom	54.5	72	Jamaica	40.5	124	Cameroon	26.9
21	Chile	53.5	73	Hungary	40.4	125	Sudan	26.5
22	Malta	53.3	74	Belarus	40.3	126	Mozambique	26.2
23	France	53.1	75	Libya	40.2	127	Ghana	25.7
24	Spain	53.0	76	China	40.1	128	Uganda	25.4
25	Czech Republic	52.1	77	Bosnia and Herzegovina	40.1	129	Congo Kinshasa	25.3
26	Taiwan	51.5	78	Montenegro	39.9	130	Niger	24.9
27	United Arab Emirates	51.3	79	Jordan	39.5	131	Botswana	24.7
28	Mexico	50.5	80	Macedonia	39.2	132	Mali	24.4
29	Argentina	50.4	81	Lebanon	39.1	133	Burkina Faso	24.2
30	Panama	50.2	82	Venezuela	38.9	134	Madagascar	23.9
31	Qatar	49.9	83	Morocco	38.9	135	Yemen	23.6
32	Brazil	49.8	84	Honduras	38.7	136	Sierra Leone	23.6
33	Uruguay	49.7	85	Dominican Republic	38.6	137	Zimbabwe	23.5
34	Japan	49.6	86	Turkmenistan	38.6	138	Malawi	23.1
35	Italy	49.3	87	Vietnam	38.6	139	Afghanistan	23.0
36	Thailand	48.1	88	Azerbaijan	38.1	140	Rwanda	22.9
37	South Korea	48.0	89	Kosovo	37.7	141	Haiti	22.9
38	Colombia	47.6	90	Philippines	37.2	142	Syria	22.3
39	Saudi Arabia	47.3	91	Indonesia	36.4	143	Benin	21.9
40	Bahrain	46.8	92	Tunisia	36.2	144	Ivory Coast	21.7
41	Slovakia	46.8	93	Albania	36.1	145	Liberia	21.7
42	Slovenia	46.5	94	Kyrgyzstan	35.6	146	Togo	20.9
43	Guatemala	46.4	95	Iran	35.4	147	Chad	20.9
44	Poland	46.3	96	Tajikistan	35.1	148	Tanzania	20.7
45	Hong Kong	46.1	97	Bulgaria	35.1	149	Guinea	20.7
46	Ecuador	45.8	98	Pakistan	35.0	150	South Sudan	20.6
47	Malaysia	45.6	99	Bhutan	35.0	151	Lesotho	20.4
48	Kuwait	45.6	100	Palestinian Territories	34.9	152	Angola	19.9
49	Nicaragua	45.4	101	Nepal	34.3	153	Burundi	17.3
50	Cyprus	45.2	102	Mongolia	34.1	154	Central African Republic	14.1
51	Algeria	44.4	103	Egypt	33.6			
52	El Salvador	44.1	104	Sri Lanka	33.3			

Quality of life based on the World Happiness Report 2017 (Halliwell, Layard and Sachs). Life Expectancy in 2015 based on the World Health Organisation report 2016, supplemented where appropriate.