# Policy Brief: Rethinking National Success Beyond GDP

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## Executive Summary

Oftentimes, we associate wealthier countries with being successful, and the higher the GDP, the higher the success. But how well does GDP per capita reflect national success? Using the data from the 2024 World Happiness Report, this brief is going to show that economic development and a country's GDP only have a positive impact on happiness scores to a certain extent. After that threshold is reached, other non-material factors become essential to keep improving happiness in a nation. Policymakers must expand their development criteria and priorities beyond economic measures to incorporate more social support, personal freedoms, and overall health, in order to keep their nations' happiness levels increasing.

## Current Landscape

*Figure 1*

GDP per capita has traditionally been one of the main ways a nation's success has been measured. However, the World Happiness Report demonstrates diminishing returns in happiness as GDP grows, which suggests that additional income has limited effects after basic needs are satisfied. Figure 1 illustrates a clear initial relationship between GDP per capita and happiness scores, particularly among lower-income countries.
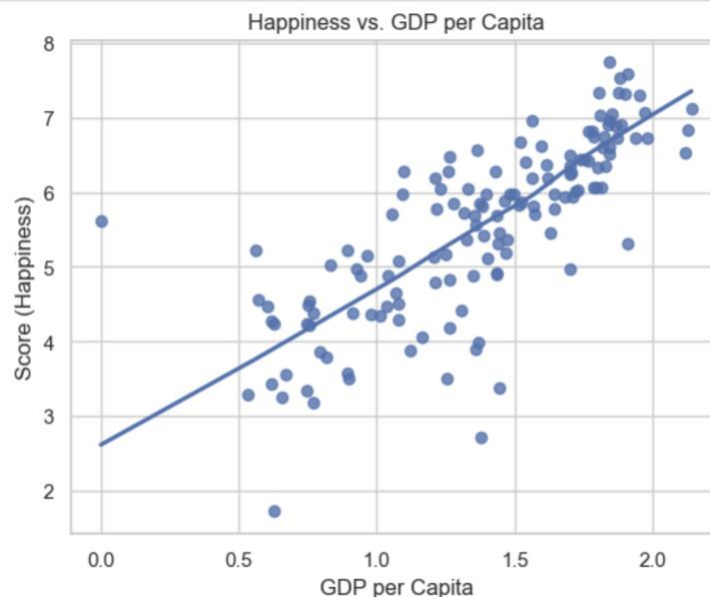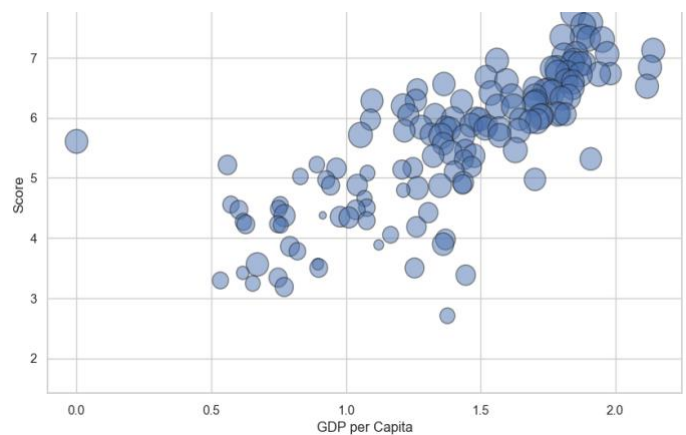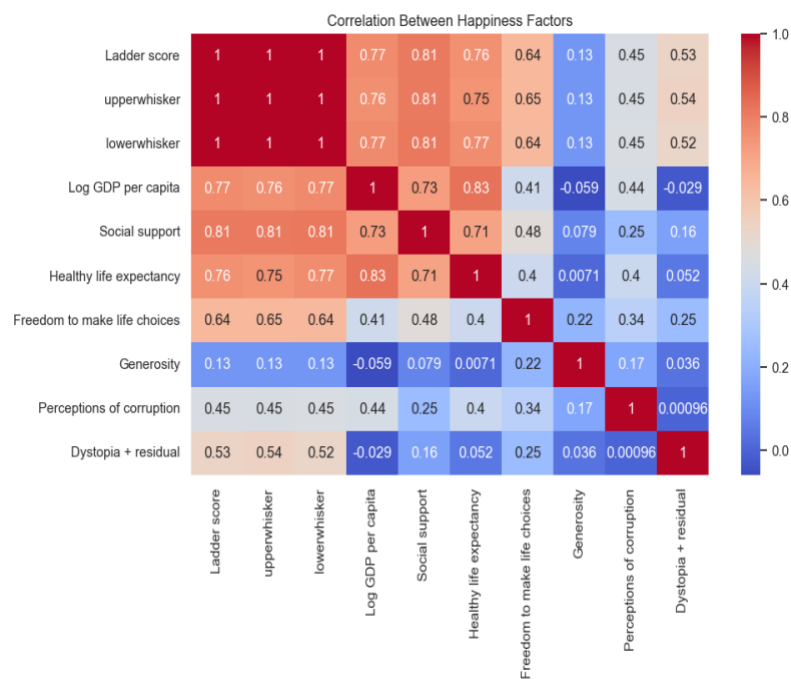
*Figure 2*



**Importance of Non-material Factors:**

Economic wealth alone does not account for happiness scores in more affluent countries. Figures 2 and 3 show this by revealing strong correlations between happiness and social support, freedom, and healthy life expectancy.
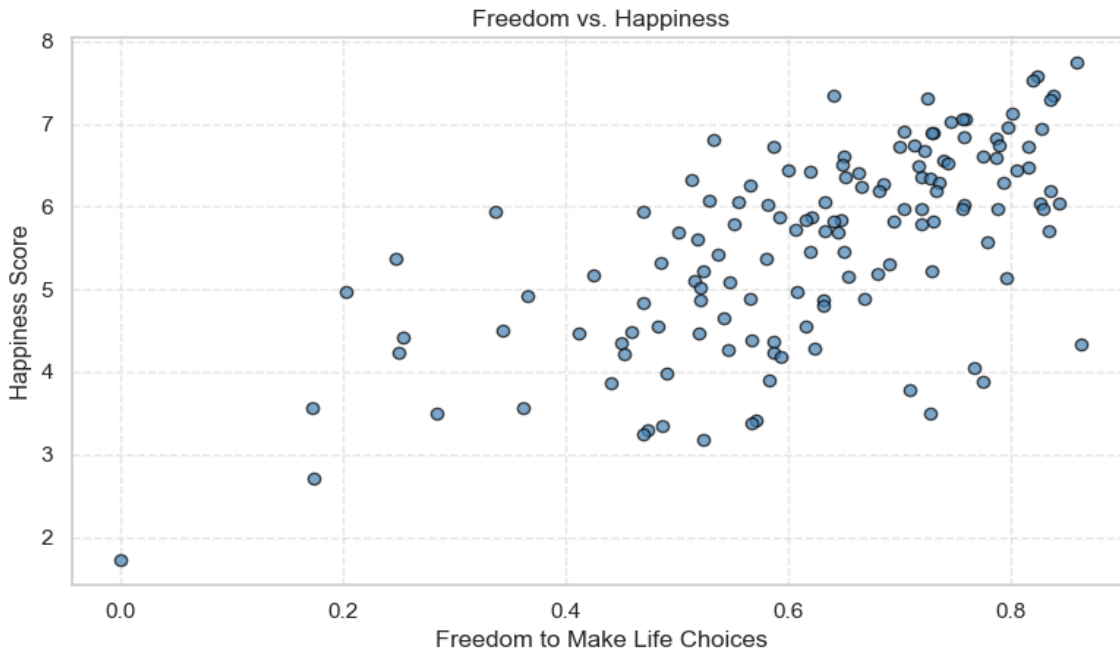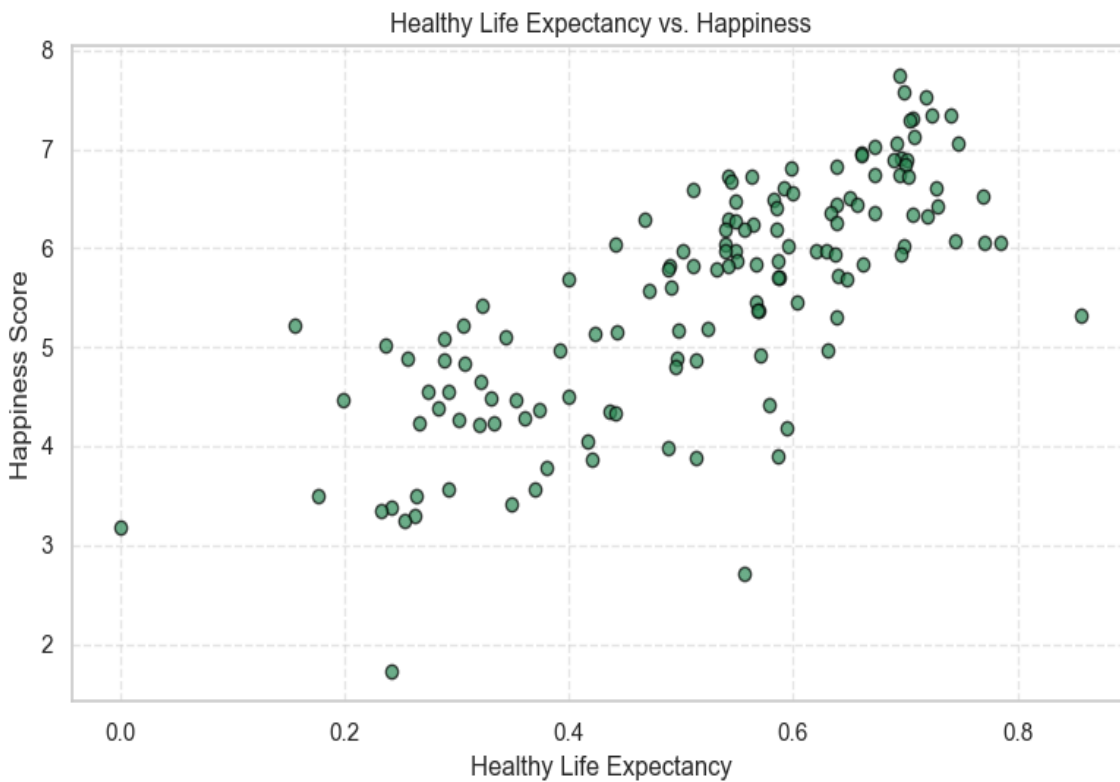
*Figure 3*



Countries with robust social support networks, for instance, often report higher happiness regardless of modest economic status, as visualized in the bubble plot of Figure 3. This shows a positive relationship between social support and happiness scores.

Figures 4 (Freedom vs. Happiness) and 5 (Healthy Life Expectancy) further solidify this argument by showing the strong predictive power of freedom to make life choices and healthy life expectancy on happiness scores.
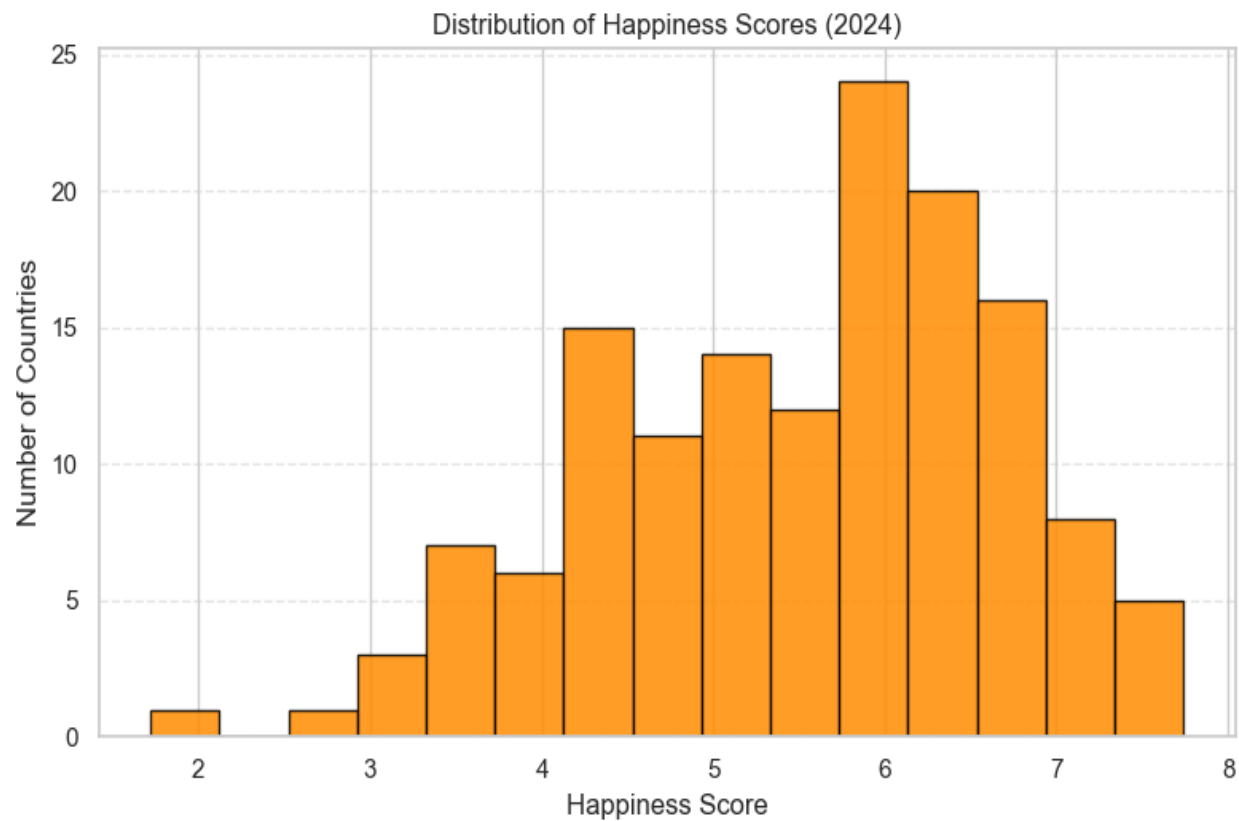
*Figure 4*



*Figure 5*

**Distributional Insights:**

Examining the overall happiness distribution in Figure 6 reinforces the variability in global happiness. The presence of countries with low GDP but moderate-to-high happiness scores suggests significant policy opportunities beyond economic strategies, including investments in public health, community building, and governance reform.

*Figure 6*



Distribution of Happiness Scores (2024)

**Policy Recommendations:**

Policymakers and global development organizations should:

- Prioritize investments in social support structures, personal freedoms, and public health. The bubble plot (Figure 3) and scatter plots (Figures 4 and 5) demonstrate that countries with stronger social networks, greater individual freedoms, and longer healthy life expectancy consistently achieve higher happiness scores, even if their GDP looks more modest.

- Encourage policies enhancing community and personal agency, which is crucial for sustained national well-being. Figures 4 and 5 highlight that autonomy (freedom to make life choices) and health are just as predictive of happiness as wealth, which emphasizes the need to empower individuals and strengthen public health alongside economic development.

In conclusion, redefining development to include a larger emphasis on non-economic dimensions could do more to improve life satisfaction globally. It would ultimately be aligning policy goals with what genuinely contributes to human happiness.

**Data Source:** Helliwell, J. F., Layard, R., Sachs, J. D., De Neve, J.-E., Aknin, L. B., & Wang, S. (Eds.). (2024). World Happiness Report 2024. University of Oxford: Wellbeing Research Centre.