

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2690
ANSWERED ON:17.08.2011
IMPROVING LIVING STANDARD OF COMMON MAN
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Will the Minister of PLANNING be pleased to state:

- (a) whether the assessment of individual living standard of a common man carried out on the basis of the Gross Domestic Product (GDP) of the country is far from reality;
- (b) if so, the reaction of the Government thereto;
- (c) whether different basis have been identified in several countries of the world in place of the GDP for assessing the living standard of the common man; and
- (d) if so, the details thereof and the basis prevalent at present in other countries of the world for the said assessment?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) to (d): Yes, Madam. Gross Domestic Product (GDP) is one of the many indicators identified for measuring human well-being in terms of improved living standard of common man. Overall development includes improvement in standard of living of the people measured in terms of various parameters such as level of education, employment, access to basic amenities etc., besides GDP growth and its distribution.

There have been many initiatives taken worldwide to capture the progress made in human welfare in general and the living standard of the people in particular and these have been captured in many studies including that of UN.

The concept of Gross National Happiness (GNH), which puts the well-being of individuals at the top of the national development agenda, was first articulated by Bhutanese King Jigme Singye Wangchuck in 1972. The National Statistical Coordination Board (NSCB) of Philippines developed a methodology to compute Philippine Happiness Index, which measures the happiness by combining the economic indicators along with some multidimensional measure of the progress. The Happy Planet Index (HPI) is an index of human well-being and environmental impact that was introduced by the New Economics Foundation (NEF) in July 2006.

India's inclusive growth model adopted as a development strategy in the Eleventh Five Year Plan emphasized the policy framework that broadly converges with human welfare approach of development and focuses on improvement in the living standard of the common man. The broad vision of the Eleventh Plan includes several inter-related components: rapid growth that reduces poverty and creates employment opportunities, access to essential services in health and education especially for the poor, equality of opportunity, empowerment through education and skill development, employment opportunities underpinned by the National Rural Employment Guarantee, environmental sustainability, recognition of women's agency and good governance.