WELL BEING: THE ULTIMATE GOAL

ANUSHKA SHARMA

Dyal Singh College, University of Delhi

Abstract

Economic growth is thought to be the driving force for a higher goal i.e. well-being. We assess how economic growth has an impact on an individual's perception of happiness. The "Easterlin paradox" suggests that there is no link between a society's economic development and its average level of happiness. This paradox has been reassessed based on Gallup World Poll data for 13 years using panel data regression analysis. A positive link between average levels of income and subjective well-being has been found for low and middle income countries. We also study the factors that affect subjective well-being other than income which have been listed out by Cantril (1965), these include health, religion, education among others. These factors need to be studied so that higher levels of well-being of individuals can be achieved. We find that these factors also play a role in the subjective well-being of a person, which varies according to the income category of the country. We find that low and high income countries value the more "quantitative" aspects such as health and education, employment, etc., while middle income countries value the "qualitative" aspects more such as family and personal values.

1. INTRODUCTION

Higher economic growth is considered to be the paramount goal when considering economic policy. Yet this growth is only considered to be a means to achieve an even bigger end i.e. well-being of a country's citizens. In recent years, some people have begun to argue against further trying to improve the material standard of living, claiming that such increases would do little to raise well-being. These arguments are based on the famous "Easterlin paradox" (Easterlin, 1974) which states that "at a point in time both among and within nations, happiness varies directly with income, but over time, happiness does not increase when a country's income increases". What Easterlin essentially argues is that there exists a "satiation point" beyond which increase in income does not affect the happiness of the people.

This conclusion that absolute income has little impact on happiness has far reaching policy implications. If economic growth does little to improve social welfare, then it should not even be the primary goal of government policy.

However, the present literature is based on incomplete evidence about this relationship. The ensuing years have seen an accumulation of cross-country data recording individual life satisfaction and happiness. The recent data suggests that the case for a link between economic development and happiness is quite robust. However, there appears to be a very strong relationship between subjective well-being and income, which holds for middle and low income countries, but not high income countries. It can thus be inferred that after reaching a "threshold" level of income, income does not play a role in increasing the level of satisfaction of an individual.

Having considered the strong relationship between happiness and economic growth, the next question that comes to mind is what else affects happiness other than economic growth? It is a well-established fact that countries in different phases of development value some factors of development more than the others. Cantril identifies certain categories of personal hopes for achieving happiness such as economic, health, family personal values, work situation and social and political values. In this paper, I try to evaluate the effects of these values enumerated in the Gallup World Poll, 2018 to see how they affect happiness levels of people across the world, specifically in three groups of countries- low income, middle income and high income countries.

The next section throws light over the existing literature on the subject. Section III provides the data and method-

Author's email address: Anushka.miths@gmail.com

ology used for the study. Section 4 provides the results and interpretations that can be drawn from the study and the final section talks about the conclusions and policy implications of happiness being a function of not just economic growth, but also other aspects that matter to people while considering their happiness.

2. LITERATURE REVIEW

Richard A. Easterlin (Easterlin, 1974) ,in his seminal work through many years, has presented evidence to propose that happiness levels of individuals are not dependent on the economic development of the society that they live in. He has examined the relationship between happiness and GDP both across countries and within individual countries through time when surveying around 53 countries including 17 developed and 9 developing countries, and has found little significant evidence of a link between aggregate income and average happiness. While a section of classical economists propose that focus should be on greatest pleasure for the greatest number, they also accepted the fact that equality is a vital factor and one can increase happiness by increasing equality even in a stagnant society.

However, work on the subject in the ensuing years has provided results that are different. Stevenson and Wolfers (Stevenson & Wolfers, 2008) use recent data on a broader array of countries, and establish a clear positive link between average levels of subjective well-being and GDP per capita across countries, and find no evidence of a satiation point beyond which wealthier countries have no further increases in subjective well-being. They show that the estimated relationship is consistent across many datasets and is similar to the relationship between subject well-being and income observed within countries.

Easterlin also checks for a causal relationship between income and happiness to find that there in fact exists a causal relationship running from income to happiness, which also points in the opposite direction of his own findings. Deaton (Deaton, 2008) finds no evidence of a satiation point. His analysis of the 2006 Gallup World Poll finds a strong relationship between log of GDP and happiness that is, if anything, stronger among high-income countries.

Hence, our main idea is to see what are the factors that affect a person's idea of well-being. To do so, we take factors listed out by Cantril (Cantril, 1965) in his survey where he found that certain hopes and fears are more frequently expressed than others. The broad categories of subjects that affect well-being of an individual as given by Cantril are as follows:

- Economic concerns
- Health and education
- Family
- Personal Values
- Status Quo
- Job/ work situation
- Social Values
- Political

Studies by Veenhoven (1993) have found a correlation between trust in each other and happiness. They found happy people are more loyal, helpful, and moral people have a degree of social interaction and mutual understanding.

Guanyi Ben Li and Yi Lu (2009) has tried to comprise the previous literature on growth and happiness and proposed three possible channels through which happiness can affect growth. The first channel they described is of consumption and investment. According to the theoretical model by Isen & Hermalin (2008), emotion could affect consumption. For e.g. whether to save for rainy days or save on rainy days depends on whether happiness raises or lowers the marginal benefit of consumption. Secondly, past studies like the one by Deeg & Zonneveld (1989) have illustrated that happiness could also predict longevity to a greater extent. Life expectancy affects economic growth: on one hand, short life expectancy causes riskier behavior and lowers investment in physical and human capital while on the other hand longevity also increases population of a given country and thus depresses income per capita as studied by Acemoglu & Johnson (2007). Thirdly, study by Kirchsteiger & Rigotti, (2006) shows that happiness implies generosity and psychologists argue that happiness encourages likability, sociability, and prosocial behavior. We accordingly speculate that a society filled with more happiness would have higher levels of trust, which is argued to affect economic growth.

Recollecting the finding of major studies done in this field, one can say that there is plentiful evidence that suggests the presence of complex relationship between growth and happiness. When taken as a whole the effect might not be that significant but if segregated according to their income levels, then some empirical finding stand out which can elucidate the complex nexus. For example, between 1958-1988 Japan's reported happiness remained almost same while its economy grew by more than five times. Thus, there is a need to study how happiness is impacting growth across varied class of countries and look for plausible conclusions which might not have been looked upon yet.

3. DATA AND METHODOLOGY

3.1. SOURCES OF DATA

Data for this study has been adopted from Gallup World Poll, 2018. The variables studied are as follows:

3.1.1. Dependent Variable
Life Satisfaction
Question- Please imagine a ladder with steps numbered from 0 to 10 in ascending order. Suppose we say that the top of the ladder represents the best possible life for you, and the bottom represents the worst possible life for you- on which step of the ladder would you say you stand at this time, assuming that the higher the step the better you feel about your life? Which step comes closest to the way you feel?

3.1.2. Independent Variables
To test the factors that affect happiness, the explanatory variables are based on Cantril's categorization:

I. Economic:
I. GDP per capita (PPP): The statistics of GDP per capita in purchasing power parity (PPP) at constant 2011 international dollar prices (variable name Log GDP) are from the World Development Indicators (WDI). Wherever values were missing, they have been taken from the Penn World Table 7.1.
II. Economic Conditions: Question- How would you rate economic conditions in this country today- as excellent, good, only fair, or poor?
III. Household Income: Question- Which one of these phrases comes closest to your own feelings about your household income these days?

II. Health and Education:
I. Physical health: Question- Thinking about your life in general, please rate your level of agreement with each of the following using a five-point scale, where 5 means you STRONGLY AGREE and 1 means you STRONGLY DISAGREE. You may choose any of the numbers 1, 2, 3, 4, or 5. Your physical health is near-perfect.
II. Health problems: Question- Do you have any health problems that prevent you from doing any of the things people your age normally can do?
III. Education: Question- What is your highest completed level of education?

III. Family:
I. Children : Question- Do most children in this country have the opportunity to learn and grow every day?
II. Count on to help: Question- If you were in trouble, do you have relatives or friends you can count on to help you whenever you need them, or not?

IV. Personal Values:
I. Freedom in Life: Question- In this country, are you satisfied or dissatisfied with your freedom to choose what you do with your life?
II. Importance of religion: Question- Is religion an important part of your daily life?
III. Feel active and productive: Question- Thinking about your life in general, please rate your level of agreement with each of the following using a five-point scale, where 5 means you STRONGLY AGREE and 1 means you STRONGLY DISAGREE. You may choose any of the numbers from 1, 2, 3, 4, 5. In the last seven days, you have felt active and productive every day.
IV. Like what you do: Question- Thinking about your life in general, please rate your level of agreement with each of the following using a five-point scale, where 5 means you STRONGLY AGREE and 1 means you STRONGLY DISAGREE. You may choose any of the numbers 1, 2, 3, 4, or 5. You like what you do every day.
V. Life Evaluation Index: The Life Evaluation Index measures respondents' perceptions of where they stand now and in the future.

V. Status Quo:
I. Standard of living: Question- Are you satisfied or dissatisfied with your standard of living, all the things you can buy and do?
II. Changes in standard of living: Question- Right now, do you feel your standard of living is getting better or getting worse?

VI. Job/Work Situation:
I. Employment status: Respondents fall into one of the six categories of employment based on a combination of answers to a series of questions about employment.

VII. Social Values:
I. Community Index: A component of well-being that includes liking where you live, feeling safe and having pride in your community.

VIII. Political:
I. Confidence in national government: Question– Do you have confidence in national government?

3.2. METHODOLOGY

The countries have been grouped into three income categories: low, middle and high income countries based on United Nation's country classifications as follows:

Table 1: Classification of countries based on income level

Group	Number of Countries
Low income	24
Middle income	65
High income	42
Total	131

Source: Based on United Nations Classification

The data is available for 13 years spanning from 2006 to 2018. We have panel data for 131 countries that have further been categorized according to income for a period of 13 years. However, the data is not consistently available for every year for every country i.e. we have an unbalanced panel data. Due to lack of data for certain entries, and unavailability even through secondary sources, those entries have been removed.

3.2.1. ECONOMETRIC MODEL:

Choice of functional form has been adopted from Deaton (2008) and Stevenson and Wolfers (2008). We use log linear form for testing the relationship between well-being and income. Taking log of income reduces the differences in income among the rich and poor countries and bring the two on a comparable scale.

To test for the factors that affect happiness on eighteen variables for various countries across the world, panel data regression analysis has been used. There are three types of models that can be used on panel data:

I. Pooled Regression Model (PRM)- Used when there are no unique attributes of individuals within the measurement set, and no universal effects across time.
II. Random Effects Model (REM)– Used when there are unique, time constant attributes of individuals that are the results of random variation and do not correlate with the individual regressors. This model is adequate if we want to draw inferences about the whole population, not just the examined sample.
III. Fixed Effects model (FEM)– Used when there are unique attributes of individuals that are not the results of random variation and that do not vary across time. This model is adequate if we want to draw inferences only about the examined individuals and is also known as "Least Squares Dummy Variable Model" (LSDVM)

To choose between Fixed Effects Model (FEM) model and Random Effects Model (REM), Hausman test has been used.

Hausman Test:

H_0 = FEM and REM appropriate

H_a = only FEM appropriate

To see whether REM fits the model better or pooled OLS regression, Breusch-Pagan Lagrange multiplier (LM) test has been used.

Breusch-Pagan Lagrange multiplier (LM) test:

H_0 = no panel effects i.e. use pooled OLS

H_a = panel effects i.e. use REM

To test for stationarity, Augmented Dickey-Fuller (ADF) Test has been used. It tests for presence of unit-roots.

ADF Test:

H_0 = Series is not stationary

H_a = Series is stationary

To test for heteroscedasticity, Breusch-Pagan test was used.

Breusch-Pagan Test:

H_0 = Homoscedasticity

H_a = Heteroscedasticity

4. RESULTS

While choosing the appropriate model i.e. pooled OLS or FEM or REM, we run the Breusch-Pagan Lagrange Multiplier test and the Hausman test. The results are as follows:

Table 2: Results of Breusch-Pagan Lagrange Multiplier test

| Test	p-value			
	All countries	Low Income Countries	Middle Income Countries	High Income Countries
Breusch-Pagan Lagrange Multiplier	< 2.2e-16	7.607e-05	< 2.2e-16	< 2.2e-16
Hausman	0.14683	0.09779	0.07815	0.9654

Source: Author's calculations

From the table shown in the previous page, it is evident that the LM test statistic rejects the use of pooled OLS model and the Hausman test statistic does not reject the hypothesis that REM should be used. Therefore, further, we only use the random effects model. Results are as follows:
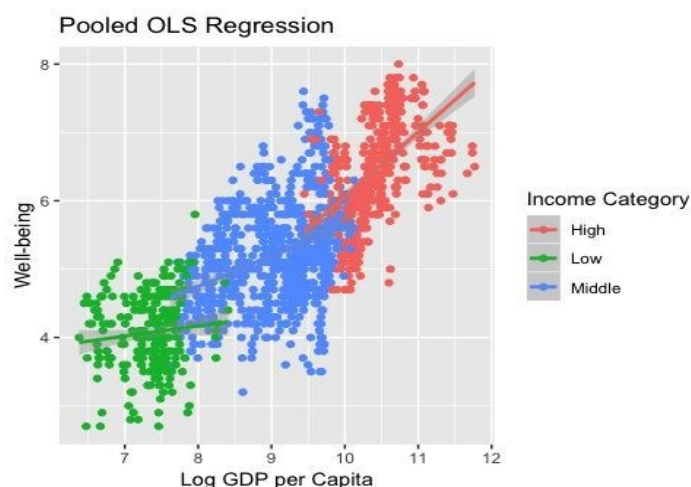
Table 3 : Results of Random Effects Model

Dependent variable = well-being	Random Effects Model (REM)		
Independent Variables	Estimate	Standard Error	p-value
Intercept	-3.052936	0.530648	8.756e-09 ***
Log GDP per capita	0.120205	0.036079	0.0008632 ***
Economic Conditions	-0.022356	0.075465	0.7670475
Household Income	0.398293	0.087316	5.079e-06 ***
Physical health	-0.220792	0.095439	0.0206990 *
Health problems	-0.163288	0.347376	0.6383119
Education	0.176410	0.114591	0.1236880
Count on to help	-0.319586	0.231382	0.1672171
Children	-0.060969	0.155750	0.6954610
Freedom in Life	-0.359912	0.188066	0.0556518 .
Importance of religion	-0.110623	0.135123	0.4129673
Feel active and productive	0.076201	0.098220	0.4378559
Like what you do	0.055295	0.086116	0.5208076
Life Evaluation Index	3.306303	0.126258	< 2.2e-16 ***
Standard of living	0.416238	0.192038	0.0301980 *
Standard of Living Better	-0.206475	0.103407	0.0458562 *
Employment status	-0.239563	0.192201	0.2126106
Community Index	0.180543	0.095635	0.0590482 .
Confidence in national government	-0.097906	0.135169	0.4688678
R^2	0.92312		
Adjusted R^2	0.91899		
ADF Test (log order = 2)	0.01 (p-value)		
Breusch-Pagan Test	3.94e-07 (p-value)		
Significance codes: '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1			

Source: Author's calculations

Figure 1: *REM regression line*

Pooled OLS Regression
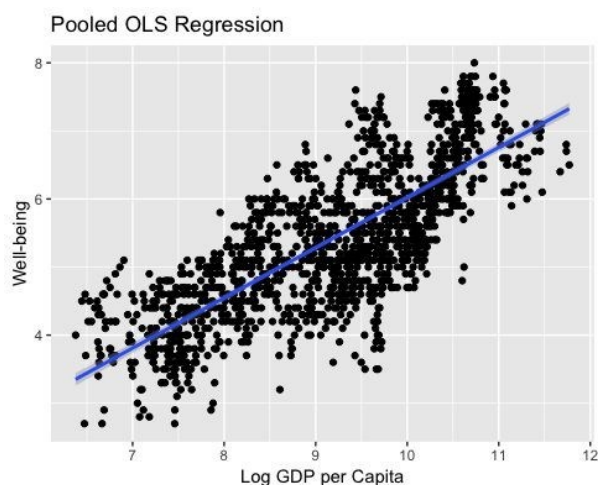
Source: Data analysed by the author

Figure 2: *REM regression line income category*

Pooled OLS Regression

Source: Data analysed by the author

Table 4: *Panel regression results for low income countries*

Dependent variable = well-being	Random Effects Model (REM)		
Independent Variables	**Estimate**	**Standard Error**	**p-value**
Intercept	-3.961054	2.068436	0.0554925
Log GDP per capita	-0.261490	0.152862	0.0871496
Economic Conditions	0.021524	0.277513	0.9381769
Household Income	1.050134	0.300109	0.0004667 ***
Physical health	0.509807	0.246309	0.0384721 *
Health problems	0.104087	1.014808	0.9183061
Education	1.321525	0.350457	0.0001627 ***
Count on to help	-0.386070	0.514894	0.4533722
Children	0.138816	0.439868	0.7523165
Freedom in Life	-0.889176	0.575718	0.1224760
Importance of religion	2.191457	1.122399	0.0508817 .
Feel active and productive	-0.297831	0.254870	0.2425812
Like what you do	0.104852	0.201968	0.6036536
Life Evaluation Index	3.295282	0.458568	6.671e-13 ***
Standard of living	-0.349615	0.555980	0.5294629
Standard of Living Better	0.585662	0.323342	0.0700974 .
Employment status	-0.856649	0.443298	0.0533044 .
Community Index	1.010013	0.238315	2.254e-05 ***
Confidence in national government	1.351080	0.573128	0.0184044 *
R^2	0.80855		
Adjusted R^2	0.73363		
ADF Test (log order = 2)	0.01 (p-value)		
Breusch-Pagan Test	3.94e-07 (p-value)		
Significance codes: '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1			

Table 5: Panel regression results for middle income countries

Dependent variable = well-being	Random Effects Model (REM)		
Independent Variables	Estimate	Standard Error	p-value
Intercept	-4.926263	0.874617	1.776e-08 ***
Log GDP per capita	0.189313	0.062559	0.002477 **
Economic Conditions	0.069020	0.107489	0.520801
Household Income	0.614336	0.115289	9.893e-08 ***
Physical health	-0.036459	0.137223	0.790476
Health problems	0.218702	0.486005	0.652710
Education	0.044715	0.178330	0.802014
Count on to help	0.766684	0.312942	0.014289 *
Children	-0.373579	0.216525	0.084466 .
Freedom in Life	-0.124429	0.254044	0.624280
Importance of religion	-0.190111	0.212421	0.0370803 *
Feel active and productive	0.253061	0.145751	0.082519 .
Like what you do	0.091743	0.129747	0.479510
Life Evaluation Index	3.355300	0.174084	< 2.2e-16 ***
Standard of living	0.214437	0.268729	0.424891
Standard of Living Better	-0.232578	0.154372	0.131912
Employment status	0.368816	0.270843	0.173283
Community Index	-0.109554	0.138924	0.430353
Confidence in national government	-0.043662	0.189327	0.817614
R^2	0.89033		
Adjusted R^2	0.87751		
ADF Test (log order = 2)	0.01 (p-value)		
Breusch-Pagan Test	3.94e-07 (p-value)		
Significance codes: '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1			

Source: Author's calculation

Table 6: *Panel regression results for high income countries*

Dependent variable = well-being	Random Effects Model (REM)		
Independent Variables	Estimate	Standard Error	p-value
Intercept	1.3366815	1.1725802	0.25431
Log GDP per capita	-0.0861021	0.0973336	0.37637
Economic Conditions	0.1283587	0.0738356	0.08213 .
Household Income	0.0648645	0.1032763	0.52996
Physical health	0.2600720	0.1195232	0.02956 *
Health problems	-0.6496224	0.4344938	0.13488
Education	-0.0448496	0.1268924	0.72375
Count on to help	0.2593452	0.3518425	0.46106
Children	0.1054150	0.2121670	0.61930
Freedom in Life	-0.1988061	0.2087671	0.34095
Importance of religion	-0.2993662	0.1370689	0.02896 *
Feel active and productive	-0.0061122	0.1392727	0.96499
Like what you do	0.0614606	0.1457939	0.67335
Life Evaluation Index	2.8372909	0.1391228	< 2.2e-16 ***
Standard of living	0.9543866	0.2407650	7.371e-05 ***
Standard of Living Better	-0.1698876	0.1086712	0.11798
Employment status	0.1993775	0.2401996	0.40651
Community Index	0.1108576	0.1014472	0.27450
Confidence in national government	-0.2632934	0.1339537	0.04935 *
R^2	0.96426		
Adjusted R^2	0.95763		
ADF Test (log order = 2)	0.01 (p-value)		
Breusch-Pagan Test	3.94e-07 (p-value)		
Significance codes: '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1			

Source; Author's calculation

The ADF test shows that there are no unit roots present in any of the three cases since the null hypothesis is rejected. The Breusch-Pagan Test shows that there is evidence of heteroscedasticity in the data and therefore, we control for it by using robust covariance matrix to account for it.

Table 7: Significance of intercept and various independent variables.

Variable	Low Income Countries	Middle Income Countries	High Income Countries
Intercept	Significant	Significant	Insignificant
Log GDP per capita	Significant	Significant	Insignificant
Economic Conditions	Insignificant	Insignificant	Significant
Household Income	Significant	Significant	Insignificant
Physical health	Significant	Insignificant	Significant
Health problems	Insignificant	Insignificant	Insignificant
Education	Significant	Insignificant	Insignificant
Count on to help	Insignificant	Significant	Insignificant
Children	Insignificant	Significant	Insignificant
Freedom in Life	Insignificant	Insignificant	Insignificant
Importance of religion	Significant	Significant	Significant
Feel active & productive	Insignificant	Significant	Insignificant
Like what you do	Insignificant	Insignificant	Insignificant
Life Evaluation Index	Significant	Significant	Significant
Standard of living	Insignificant	Insignificant	Significant
Standard of Living Better	Significant	Insignificant	Insignificant
Employment status	Significant	Insignificant	Insignificant
Community Index	Significant	Insignificant	Insignificant
Confidence in national government	Significant	Insignificant	Significant

Source; Author's calculations

5. INTERPRETATION

5.1. ECONOMIC

Well-being and economic aspects of life are quite closely related. One or more of these aspects turn out to be significant and have a positive relationship with well-being in all three of the income categories. This goes on to show the close relationship that income and well-being hold. However, it is interesting to note that GDP per capita is not significant in the case of high income countries. It points in the direction of the existence of a satiation point after all. After reaching a threshold level of income, the well-being of individuals in a country moves away from depending on income. However, income is still an important determinant of well-being in low and middle income countries. Since these countries are still in their de-

velopment phase, income highly influences the well-being of people in these countries. The question concerning economic conditions in the Gallup World Poll pertains to how respondents perceive economic conditions in their country and choose among responses like "excellent", "good", "only fair" and "poor". This condition is significant only for the higher income countries.

5.2. HEALTH AND EDUCATION

Health and education are considered to be two of the most significant basic necessities for building human capabilities, as pointed out by Sen (1999). These are the two goals that most governments try to provide to their citizens. Interestingly, respondents in the middle income countries do not value health and education while considering the well-being. However, health is significant for

low and high income countries. It indicates that although high income countries might have their basic necessities met, they still value health. Mental health is given high levels of importance in more advanced countries and the significance of health in our results supports that. Most low income countries are located in Africa and parts of Asia that suffer from epidemics like cholera, malaria, HIV/AIDS, etc. Well-being is heavily dependent on health in that respect- even a minor improvement in health facilities would drastically improve the well-being of people in these countries.

5.3. FAMILY
This category of factors shows two things- the level of dependence on family and friends and how important children are in a person's life. Only middle income countries value both these aspects while considering well-being. This can be due to the fact that most of these countries are closely knit societies like India, Brazil, etc. They also value children more since they consider them as support for when they get older.

5.4. PERSONAL VALUES
Life evaluation index asks the respondents for where they think they stand in life. It is significant in all three income categories which shows that people's perception of their life is an important determinant of their well-being.

Religion also seems to be an important determinant of well-being. However, it is negatively related to well-being in middle and high income countries. The amount of turmoil with respect to religion that exists in the world today can be credited for such a relationship.

5.5. STATUS QUO
Standard of living and standard of living better both show how much status quo matters to people. It is significant in low and high income country case. Since people in higher income countries have access to amenities therefore status quo matters as well. Similarly, people in low income countries have social and cultural preferences to have a proper social standing.

5.6. JOB/ WORK SITUATION
The scarcity of jobs in lower income countries is extremely high. Even if available, there tend exist a pool of uncertainties. These problems make employment status an important determinant for well-being in the lower income country case.

5.7. SOCIAL VALUES
Community well-being index is only significant in the low income country case. The question that is asked in the survey for this purpose asks the people if they feel safe where they live and if they take pride in their community. Community forms an important part of lives of people in the low income countries and hence shows its significance in our results.

5.8. POLITICAL
Almost all the rich countries in the world today follow democracy as a way of governing its citizens. In a way, democracy and rule of law are assumed to be granted, and is not a question in the people's minds. On the other hand, most poor countries struggle to establish strong democracy and often fall at the hands military coups or dictators. Somewhere in the middle of these two spectrums is the middle income countries. Our results show that confidence in national government is significant only in the low and high income countries.

6. CONCLUSION

Most countries state that their ultimate goal is the well-being of their citizens. Yet, they mostly focus on higher levels of economic growth since it is seen as a driving force to achieve this well-being. Results from our analysis show that income affects well-being only to a certain extent and the other factors have a dominant effect on well-being. We can conclude that higher income leads to higher levels of subjective well-being only up to a certain level of income. As we have seen, income affects well-being only to a certain extent and then countries reach a satiation point after which income itself does not matter, rather conditions in the economy do.

Also, along with economic growth, there are other determining factors that affect happiness and these factors vary according to the level of growth a country falls in. It can be seen that low and high income countries value the more quantitative aspects of well-being i.e. economic aspects, health and education, standard of living, confidence in the national government and community index. On the other hand, middle income countries value the more qualitative aspects while evaluating their well-being like personal values and family values.

The only two factors that matter to all three classes of countries pertain to religion and life evaluation index. It is surprising that religion is a part of this list and rather intuitive that life evaluation is. Religion is part of the debate on the world stage quite often and makes inclusion of religion in this common pool possible.

It is important to study these factors in greater detail because all the countries are transitioning towards higher levels of income. Therefore, in the future countries that today fall in low income category will transition to middle

income and so on. They will pass through these phases of achieving well-being.

If focus is given to achieving higher levels of these fac-

tors, they will significantly impact happiness levels, which will lead to happier and more content citizens and ultimately, a more prosperous society.

REFERENCES

1. *Buchanan, W., and H. Cantril. How Nations See Each Other. Urbana: University of Illinois Press, 1953.*

2. *Cantril, H. The pattern of human concerns. New Brunswisk, New Jersey: Rutgers University Press, 1965.*

3. *Cantril, Hadley. Public Opinion, 1935-1946. Princeton, New Jersey: Princeton University Press, 1951.*

4. *Deaton, Angus. "Income, Health and Well-being around the World: Evidence from the Gallup World Poll." Journal of Economic Perspectives, 22(2) (2008): 53-72.*

5. *Di Tella, Rafael, Robert J MacCulloch, and Andrew J Oswald. "The Macroeconomics of Happiness." Review of Economics and Statistics 85, no. 4 (2003): 809-827.*

6. *Easterlin, Richard A. "Diminishing Marginal Utility of Income? Caveat Emptor." Social Indicators Research 70, no. 3 (2005b): 243-255.*

7. *Easterlin, Richard A. "Does economic growth improve the human lot? Some empirical evidence." In Nations and Households in Economic Growth: Essays in Honor of Moses*

8. *Abramowitz, by Paul A David and Melvin W. Reder. New York: Academic Press, Inc., 1974.*

9. *Easterlin, Richard A. "Does Money Buy Happiness?" The Public Interest 30 (1973): 3-10.*

10. *Easterlin, Richard A. "Feeding the Illusion of Growth and Happiness: A Reply to Hagerty and Vennhoven" Social Indicators Research, 2005c, 74:3, 429 – 443.*

11. *Easterlin, Richard A. "Income and Happiness: Towards a Unified Theory." The Economic Journal 111, no. 473 (2001): 465-484.*

12. *Easterlin, Richard A. "Will Raising the Incomes of All Increase the Happiness of All?" Journal of Economic Behavior and Organization 27, no. 1 (1995): 35-48.*

13. *Kenny, Charles, "Does Growth Cause Happiness, or Does Happiness Cause Growth?" Kyklos, vol. 52, 326 (1999).*

14. *Stevenson, Betsey, and Justin Wolfers. "Happiness Inequality in the United States." Journal of Legal Studies, 2008*

15. *Stevenson, Betsey, and Justin Wolfers. The Paradox of Declining Female Happiness. mimeo, University of Pennsylvania, 2007.*

16. *Veenhoven, Ruut. Happiness in Nations, Subjective Appreciation of Life in 56 Nations 1946-1992. Rotterdam: Erasmus University, 1993.*

17. *Veenhoven, Ruut. World Database of Happiness, Trend in Nations. Rotterdam: Erasmus University.*

18. *Veenhoven, Ruut "Is Happiness Relative?" Social Indicators Research 24, 1991, pp. 1-34*