DSO 510: Business Analytics

**CORRUPTION AND HAPPINESS**

Vivan Doshi, Rohit Kumar, Jui Mathuria, Simran Chandak, Mansour Al-Mubarak, Shahriar Rahman

horizontal line

# 

# Questions to be answered for video:

* ~~What is the problem you are seeking to answer?~~
* Make a logical case for the possibility of multiple outcomes.
* ~~What is the ideal experiment to examine the issue?~~
* Present descriptive statistics/visualizations describing your data and the important relationships.

**What affects both? - Corruption and Happiness index**

Income, crime rates, healthcare system, health, culture, literacy rates, demographic data, development level, democracy, Global Competitiveness Index, freedom index, vices (drugs and alcohol), subsidies, safety, hunger index

How do we measure the happiness index and corruption -

# Introduction

**Q1 - Is there a relationship between a country’s level of corruption and the overall happiness of its population?**

* political, economic, social, and cultural factors

It seems obvious that corruption will lower the happiness of an ‘average person’. However, our project will explore the extent to which the two variables are related, and if corruption is a direct catalyst to decreased (or increased) happiness.

Our project case aims to analyze the extent to which corruption affects a population’s happiness, and if varying subsectors of the population react to/view corruption differently.

How do we measure the happiness index and corruption -

Happiness isn’t measurable directly hence the **World Happiness Report** (published by the United Nations Sustainable Development Solutions Network) is the most widely used source for ranking happiness globally.

It measures happiness based on **six key factors**:

1. **GDP per capita** – Economic prosperity
2. **Social support** – Availability of help from friends, family, and community
3. **Healthy life expectancy** – General well-being and access to healthcare
4. **Freedom to make life choices** – Personal and political freedom
5. **Generosity** – Donations and community support
6. **Perceptions of corruption** – Trust in government and businesses

**Q2 - Make a logical case for the possibility of multiple outcomes.**

In Country A, corruption is not just a minor inconvenience—it’s a way of life. Bribes are required for basic services, and justice is reserved for those who can pay. Public trust in institutions is almost nonexistent..

**Negative Relationship (Higher Corruption → Lower Happiness)**

* Corruption can erode trust in institutions, limit economic opportunities, and lead to social injustice, all of which may decrease overall happiness.
* Countries with high corruption often experience poor public services, economic inequality, and instability, which contribute to lower life satisfaction.

In Country B, corruption exists, but people have learned to navigate it. Small bribes help speed up bureaucratic processes, and personal connections often override strict regulations. Instead of frustration, many citizens feel that these informal systems make life easier..

**Positive Relationship (Higher Corruption → Higher Happiness)**

* In some societies, corruption may function as a "lubricant" for bureaucracy, allowing people to bypass inefficient systems, potentially increasing happiness in the short term.
* If corruption benefits the elite or those who can navigate it successfully, some groups may report higher happiness despite systemic corruption.

**No Significant Relationship**

* Other confounding factors - economic prosperity, cultural attitudes, health system, crime rate and social support networks may have a stronger influence on happiness than corruption.

**Q3 - What is the ideal experiment to examine the issue?**

Ideal Experimental Scenario (Hypothetical)

If we could create a perfectly controlled experiment, we would:

Divide participants into two societies:

**Treatment Group (High Corruption Countries/Societies)** – Countries with historically high corruption.

**Control Group (Low Corruption Countries/Societies)** – Countries with consistently low corruption as a benchmark.

-> Why This is ideal and not feasible:

We cannot ethically create societies with or without corruption.

Hard to isolate corruption as the sole factor.