

# GDP per capita is a poor predictor of national well-being

Adrien Fabre

September 3, 2023

## Abstract

I revisit the relationship between a country's average subjective well-being and its GDP per capita. Although economists have long debated whether the relationship flattens above a certain threshold, it is generally accepted that well-being is an increasing and concave function of income. I challenge this view by conducting a thorough analysis of all waves of the World Values Survey. The dataset spans 111 countries by running representative surveys between 1981 and 2022. I build several indicators of well-being, using the questions on one's life satisfaction and happiness. The variance explained by the GDP per capita is low at best. The largest correlation with (log) GDP per capita is found for the *average life satisfaction*, the most commonly used indicator. Some indicators are not significantly related with GDP per capita, while some others (like the share of *very happy* people) are even decreasing with GDP per capita. Classifying countries into six world regions, I then show that national well-being is systematically better explained by the country's world region than by its GDP per capita. The results hold true in each separate wave of the World Values Survey as well as in the combined dataset. Overall, the results suggest that absolute income is not as determining for one's subjective well-being as is commonly thought.

**Adrien Fabre** I am a tenured CNRS researcher at CIREN. Before entering the CNRS in 2022, I completed my PhD over 2017–2020 at the Paris School of Economics and did a two-year Post-Doc at the ETH Zürich in the chair of Antoine Bommier. My main research is on the political economy of climate policies, though my works span different fields like social choice or resource economics. My work is available at [sites.google.com/view/adrien-fabre](https://sites.google.com/view/adrien-fabre). According to [Google Scholar](#), I have 567 citations and a h-index of 9.

**Working papers**

[International Attitudes Toward Global Policies](#),  
with Thomas Douenne, and Linus Mattauch

[Fighting Climate Change: International Attitudes Toward Climate Policies](#),  
with Antoine Dechezleprêtre, Tobias Kruse, Bluebery Planterose, Ana Sanchez  
Chico, and Stefanie Stantcheva

[Disagreement Aversion](#),  
with Antoine Bommier, Arnaud Goussebaïle, and Daniel Heyen

**Selected publications**

[Yellow Vests, Pessimistic Beliefs, and Carbon Tax Aversion](#),  
*American Economic Journal: Economic Policy*, 2022, with Thomas Douenne

[Tie-breaking the Highest Median: Alternatives to the Majority Judgment](#),  
*Social Choice & Welfare*, 2020

[French Attitudes on Climate Change, Carbon Taxation and Other Climate Policies](#),  
*Ecological Economics*, 2020, with Thomas Douenne