Beyond GDP: Exploring Factors Behind Global Happiness

An Exploratory Data Analysis of the World Happiness Report (2018-2019)

Research Questions

- ─ How strong is the relationship between GDP and Happiness?
- Who are our "happy but poor" outliers?
- Who are our "rich but unhappy" outliers?
- Q Beyond GDP, what other factors matter most?



Data & Methodology



World Happiness Report (2018-2019), ~160 countries

🔼 Variables Analyzed

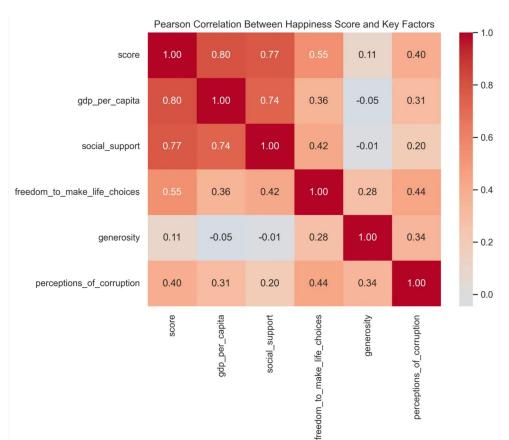
GDP per capita, Social support, Freedom to make life choices, Generosity, Perceptions of corruption, Happiness score

Methodology

Exploratory Data Analysis (EDA) approach:

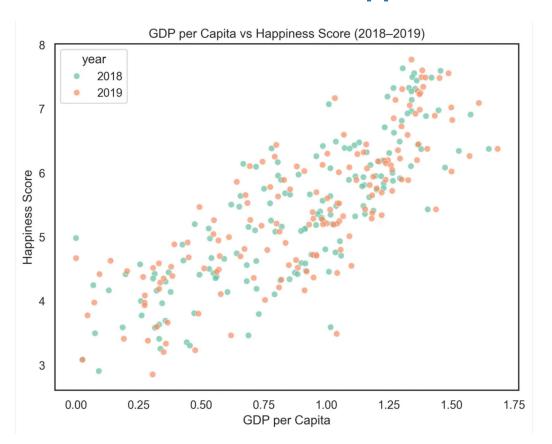


Correlation Analysis



- Strong positive correlations Happiness score with GDP per capita (0.80) and social support (0.77)
- Moderate correlation Happiness score with freedom to make life choices (0.55)
- Weak correlation Happiness score with perceptions of corruption (0.40)
- Very weak correlation Happiness score with generosity (0.11)

GDP vs. Happiness: The Baseline



Clear positive trend

Higher GDP per capita generally correlates with higher happiness scores

☑ Visible clustering

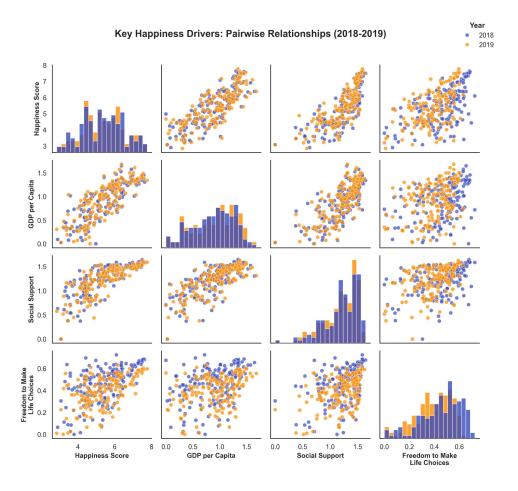
ICountries group by economic development and happiness evels

Notable outliers

Some countries don't follow the general trend

Consistent pattern

Similar relationship observed in both 2018 and 2019 data



Key Happiness Drivers: Pairwise Relationships(2018-2019)

Strong positive relationships

Happiness Score with GDP per Capita and Social Support.

Interconnected factors

GDP per Capita and Social Support are also positively correlated.

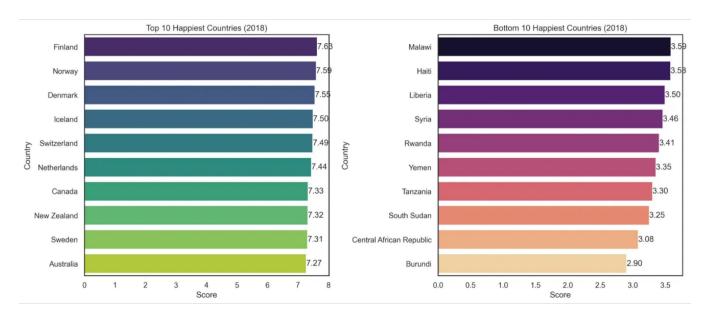
Moderate positive relationship

Happiness Score with Freedom to Make Life Choices.

Consistent patterns

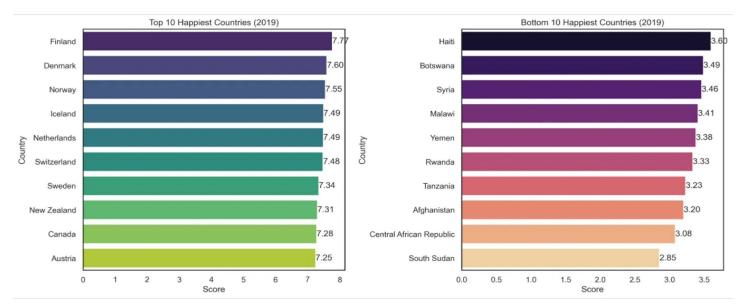
Relationships remain stable across 2018 (blue) and 2019 (orange).

Happiest vs. Unhappiest Countries (2018)



- **▼ Nordic dominance** Finland (7.63), Norway (7.59), and Denmark (7.55) lead the rankings
- ▲ Conflict correlation Countries affected by war and instability rank lowest
- **\$ Significant gap** Finland (7.63) scores over 2.5x higher than Burundi (2.90)
- **Regional patterns** Western Europe and North America dominate top rankings

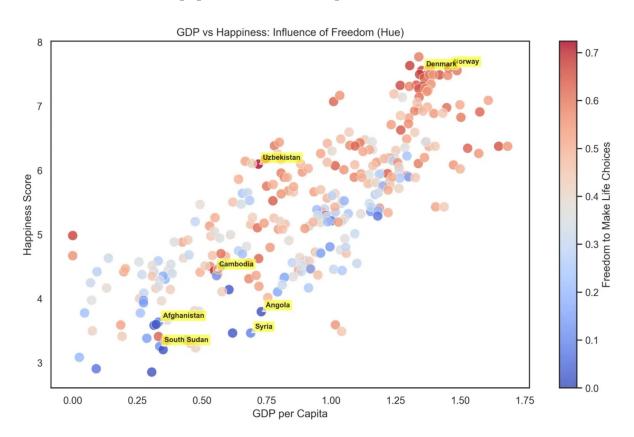
Happiest vs. Unhappiest Countries (2019)



- ▼ **Finland strengthens lead** Score increased from 7.63 to 7.77
- Ranking shifts Denmark (2nd) and Norway (3rd) swapped positions from 2018
- ▲ Bottom changes South Sudan remains lowest (2.85), but some countries like Botswana entered the bottom 10
- **2** Remarkable stability 7 of top 10 and 6 of bottom 10 countries remained the same

Freedom: The Happiness Amplifier

- Freedom matters
 Higher freedom = higher happiness
- ▲ Freedom deficit Low freedom = low happiness
- ★ Nordic excellence High freedom + high happiness
- Amplifier effect
 Freedom enhances happiness



Trust & Corruption: Impact on Happiness

Low corruptionLighter colors = higher happiness

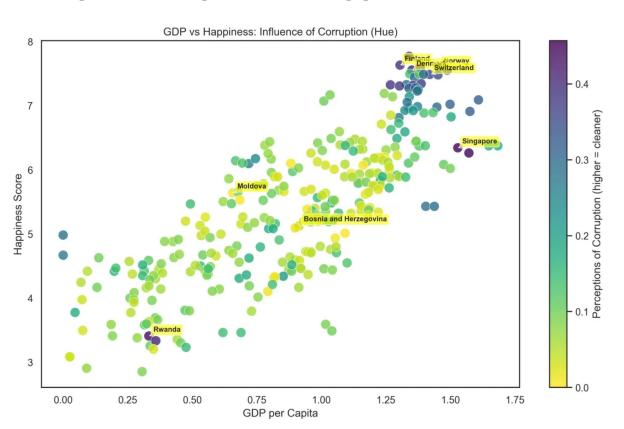
Outliers

Rwanda shows high corruption varying happiness

★ Nordic pattern Low corruption + high

Trust matters

Institutional trust boosts happiness



Key Findings

GDP-Happiness Relationship

Strong correlation (0.80) between GDP and happiness, but not sufficient alone to explain happiness levels

Rich but Unhappy Outliers

Some wealthy countries have **lower happiness than expected**, often correlating with lower freedom or higher corruption

B Happy but Poor Outliers

Some countries achieve **higher happiness despite modest GDP**, suggesting other factors at play

Beyond GDP

Social support (0.77), freedom (0.55), and low corruption (0.40) are significant factors beyond economic wealth

Conclusion & Implications

- Money matters, but it's not the only factor in happiness
- Institutions, freedom, and trust significantly shape happiness inequality
- Outliers provide valuable insights beyond simple correlations
- Policy implications: Focus on social fabric and institutions, not just economic growth

"Understanding outliers moves us beyond numbers to the human story of what truly creates happiness across diverse societies."

Thank you