

Why Did Not Countries Like Bangladesh, India and Pakistan Experiencing Rapid Economic Growth in South Asia Experience an Increase in Happiness?

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Abstract

Developing countries in Southern Asia, such as Bangladesh, India and Pakistan, have been experiencing rapid economic growth, yet they are not scoring high on happiness. On the other hand, the Scandinavian countries are always at the top of the list of world happiness scores even though their recent economic growth has not been as significant as the South Asian countries. The purpose of this paper is to find the main differences between the Southern Asian countries and the Scandinavian countries in world happiness score and the reason behind the decline in the happiness score of those countries that are experiencing rapid economic growth in South Asia. Using the regression test this study analysed world happiness score dataset from 2015-2016 and also analysed data from 2015-2018 of some Scandinavia and South Asian countries. People are happier when a stable economy and the best welfare system are in operation. This study finds out that, there is a significant relationship between economic growth and happiness, but the welfare system needs to be in place in South Asian countries to increase their happiness.

1 Introduction

Before we continue our discussion, it is essential that we begin by defining happiness. According to Veenhoven (1991), happiness can be characterised by how much a person likes the life he leads. Happiness can also be associated with a person's perceived life satisfaction. Since 2012, the UN (United Nations) have opted to assess the development of well-being. In 2012, the World Happiness Report was released by the United Nations Sustainable Development Solutions Network, in collaboration with the Ernesto Illy Foundation. By April 2019, the UN had released seven world happiness reports and a ground-breaking survey on the state of global happiness (World Happiness Report, 2019).

The World Happiness Report shows that the Scandinavian countries of the world rank happier than other nations, even though the people of such countries still report that they encounter struggles and suffering (Andreasson and Birkjær, 2018). This leads one to wonder; what makes the people of Scandinavia the happiest in the world? Is it because Scandinavian countries are some of the world's most developed nations? Information from the World Happiness Report shows that several factors play a role in contributing to why developed countries are happier than developing countries. Some of these factors include GDP per capita, family, life expectancy, freedom, generosity and trust in government (Sustainable Development Solutions Network, 2012). This poses the question; what exactly are developing countries doing with respect to these factors?

Developing countries such as Bangladesh and India are quickly becoming some of the fastest growing countries in the world (Song, 2019). Through using the Gapminder tool it was found that

Scandinavian countries are more stable in every factor previously mentioned while south Asian developing countries economy are on the rise. On the other side world happiness report showing a different view. Scandinavian countries with stable economies were also more stable in their happiness score. On the other hand, South Asian countries such as Bangladesh and India are growing rapidly, however their happiness scores are not growing at all. What is keeping the people of these nations from being happy? This study aims to assess why the citizens of developing countries such as Bangladesh and India are not as happy compared to their Scandinavian counterparts, and how they can be happier.

To find out, we analysed the World Happiness Report dataset from the Sustainable Development Solutions Network (2012). This data set includes data from 156-159 countries from 2015 to 2019. To get a more specific answer to our questions posed earlier, we decided to compare seven countries from two different regions; Scandinavia and South Asia. These countries are Denmark, Iceland, Norway, Switzerland, Bangladesh, India and Pakistan.

The analysis shows that the economy and GDP per capita, Family, health and life expectancy, freedom, trust of government and lack of corruption and generosity have a significant relationship with world happiness. On the other hand, it shows a significant variation in social support for happiness scores in Southern Asian countries such as Bangladesh, India and Pakistan. We hypothesise that this is because of the imbalance in generosity and freedom experienced by the citizens in such countries.

The remainder of this paper is organized as follows; in section two we introduce the background to the problem and define our research questions. Our analysis is in section three. Section four introduces our key results, and section five discusses our results concerning our questions, followed lastly by our conclusion.

2 Background

In today's world, individuals are increasingly concerned with their happiness. The number of "happiness" articles being written is also rising rapidly. From 1960 to 1990 there was a gradual increase in the articles and topic of "happiness"; between 0 to 100, however from 1990 to 2016 it rose rapidly from 100 to approximately 1300 (Myers and Diener, 2018). It is frequently thought that Nordic nations, especially Scandinavians countries, are the happiest because they are some of the richest countries in the world. The relationship between GDP and one's level of well-being support the assertion that happiness is related to one's personal income (Andreasson and Birkjær, 2018). It is however difficult to answer what may seem like a simple question; does money buy happiness? An increasing number of scholars, politicians, journalists and others have given thought to what exactly a "good life" is and what a "good life" means to others. Emerging fields such as positive psychology is narrowing in on such questions, in addition to the general public who are also searching for books and other resources to increase their happiness. However, most of this focus has been on developed countries within North America and Europe. As a result, less information is available among developing countries. This is important to understand as studies in the West may

not relate to other countries due to the large distinctions in culture, traditions, religious beliefs and philosophic concepts. (Selin and Davey, 2012)

World happiness reports show that developing countries such as Bangladesh and India are improving in almost every area, such as GDP, health, freedom of speech, family support, and more. For example, according to world happiness data, Bangladesh's GDP per capita was 0.397 in 2015 but increased to 0.562 in 2019, and health (Life Expectancy) was 0.60 in 2015 and is now 0.723 in 2019. On the other hand, the happiness score of Bangladesh was 4.69 in 2015 and dropped to 4.45 in 2019.

In a country like Bangladesh, economic growth is also related to remittance. In addition, India and Pakistan are also receiving good amounts of remittances from around the world (PTI, 2019). The developmental effects of remittances in a nation is a complex issue, resulting in both positive and negative impacts on a macroeconomic and household level (Hassan and Shakur, 2017). However, world happiness report data did not show that the survey was taken differently for a different region or culture. For this reason, we need to see a more detailed summary of the economic growth among South Asian countries.

Since 2014, South Asia has been the fastest-growing sub-region in the world. Collectively, its eight economies boast an average annual growth rate of 7%. Countries like Bangladesh and India experienced an average growth rate of more than 7% over the last five years, with Bangladesh expected to grow by about 8% over the next two years (Song, 2019). After doing a comparison using Gapminder tools (Gapminder.org, 2019), we assessed if some Scandinavian countries were experiencing similar rates of growth as South Asian countries. It was observed that Scandinavian countries were not growing as rapidly as South Asian countries. In other words, the position of the Scandinavian countries has been more stable, while the South Asian countries are growing rapidly in every field.

2.2 Research Questions

We're attempting to answer the following research questions.

1. Does a nation's economy and GDP per capita, life expectancy, freedom, trust in government, family support and generosity influence their happiness score, and if so in what ways?
2. South Asian countries such as Bangladesh, India, and Pakistan are experiencing rapid economic growth also in other sectors, yet they are not scoring high on happiness. If happiness scores are correlated to GDP per capita, life expectancy, freedom, trust in government, family support and generosity then why didn't those countries experiencing rapid economic growth in South Asia experience an increase in happiness?

3 Method

In an attempt to answer our questions, we used the world happiness dataset from kaggle.com provided by the Sustainable Development Solutions Network (2012). The dataset was taken from

the World Happiness Survey, a landmark survey of the state of global happiness and has data from 2015 to 2019. More detail can find on Sustainable Development Solutions Network (2012) and Worldhappiness.report (2019).

To find our answer we did some analysis of the datasets for 2015 and 2016. After that, we created a different dataset with information on 7 countries from 2015 to 2018, and we use this dataset for further analysis.

3.1 Data Analysis

The analysis of this paper focuses on two aspects. What influence happiness in the World Happiness Report and why developing countries are lagging in this race. To get our response, we suggested the following hypotheses, and every hypotheses test is performed using SPSS.

Hypothesis 1: Influence of social support to the overall world happiness score.

H₀: There is no significant statistical relationship between (social support) economy GDP per capita, life expectancy, freedom, trust in government, family support, and generosity to the overall world happiness score.

H_A: There is a significant statistical relationship between economy GDP per capita, life expectancy, freedom, trust in government, family support, and generosity to the overall world happiness score.

Hypothesis 2: The difference between the Southern Asian countries (Bangladesh, India, Pakistan) and the Scandinavian countries in the effect of social support on happiness.

4 Result

First, we will try to find out, influence of social support to the overall world happiness score from 2015 dataset. Table 1 shows the R², which shows that 78% of the variations in world happiness scores can be explained by GDP per capita economy, life expectancy, freedom, trust in government, family support, and generosity in world happiness report dataset.

Table 1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882 ^a	.777	.768	.55105

a. Predictors: (Constant), Generosity, Trust (Government Corruption), Freedom, Family, Health (Life Expectancy), Economy (GDP per Capita)

With an F-value of 87,809 and a P-value of 0.000 in Table 2, it is observed that the relationship between GDP per capita economy, life expectancy, freedom trust in government, family support, and generosity and happiness is significant.

Table 2. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	159.983	6	26.664	87.809	.000 ^b
	Residual	45.852	151	.304		
	Total	205.835	157			

a. Dependent Variable: Happiness Score

b. Predictors: (Constant), Generosity, Trust (Government Corruption), Freedom, Family, Health (Life Expectancy), Economy (GDP per Capita)

Table 3. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.860	.190		9.766	.000
	Economy (GDP per Capita)	.861	.220	.303	3.907	.000
	Family	1.409	.223	.335	6.327	.000
	Health (Life Expectancy)	.975	.316	.210	3.084	.002
	Freedom	1.333	.385	.175	3.463	.001
	Trust (Government Corruption)	.785	.437	.082	1.797	.074
	Generosity	.389	.391	.043	.995	.321

a. Dependent Variable: Happiness Score

Table 3 determine the weight of each of the components (social support) to happiness score; reference is made to their regression coefficients as shown in Table 3. Using the standardized beta coefficients, the constant “a” would disappear and the regression equation is of the form:

$$Y (\text{Happiness Score}) = a + b_1x_1 (\text{Econo_GDP}) + b_2x_2 (\text{Family}) + b_3x_3 (\text{Health}) + b_4x_4 (\text{Freedom}) + b_5x_5 (\text{Trust}) + b_6x_6 (\text{Generosity})$$

$$Y = 0.303x_1 + 0.335x_2 + 0.210x_3 + 0.175x_4 + 0.082x_5 + 0.043x_6$$

The regression coefficients value for economy GDP per capita, family, health (life expectancy), freedom, trust (government corruption) and generosity, as obtained from coefficients table are 0.303, 0.335, 0.210, 0.175, 0.082 and 0.043 respectively, which shows that “Family” is of more effect than “Economy GDP per capita”, while “Health, Freedom, and Trust in Government” is of less effect than “Economy GDP per capita” while “Generosity” is of less effect than the five above in explaining social support on world happiness score. Furthermore, the table reveals that, with P-values of 0.000, 0.000, 0.002, 0.001, 0.074 and 0.321 with economy GDP per capita, family, health (life expectancy), freedom, trust (government corruption) and generosity respectively. Therefore, it

can be concluded that economy GDP per capita, family, health (life expectancy), freedom, trust (government corruption) and generosity has a significant relationship with world happiness score.

We also did one test with some Scandinavian Countries and South Asian Countries and found out that R² is 98%, F- value of 209.823 and P- value of 0.000 tables 4.1 and 4.2 showing the result.

Table 4.1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.992 ^a	.984	.979	.20691

c. Predictors: (Constant), Generosity, Trust (Government Corruption), Freedom, Family, Health (Life Expectancy), Economy (GDP per Capita)

Table 4.2. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.899	6	8.983	209.823	.000 ^b
	Residual	.899	21	.043		
	Total	54.798	27			

a. Dependent Variable: Happiness Score

d. Predictors: (Constant), Generosity, Trust (Government Corruption), Freedom, Family, Health (Life Expectancy), Economy (GDP per Capita)

We are attempting to find a difference between the Scandinavian countries (Denmark, Iceland, Norway, Switzerland) and the South Asian countries (Bangladesh, India, Pakistan).

Table 5: Results of regression of equation for Southern Asian and Scandinavian Countries, From 2015-2018.

Southern Asian (Bangladesh, India, Pakistan)				Scandinavian (Denmark, Iceland, Norway, Switzerland)		
Social Support	Coefficient	t-value	P-value	Coefficient	t-value	P-value
economy GDP	-0.902	6.706	0.013	-0.124	-0.295	0.775
Family	0.467	3.280	0.022	-0.252	-0.452	0.662
health	-0.850	-2.990	0.030	-0.040	-0.073	0.944
freedom	-0.736	-1.715	0.147	0.674	1.273	0.235
trust	-0.099	-0.099	0.793	0.229	0.391	0.705
generosity	-0.030	-0.060	0.954	0.231	0.408	0.693

The Table 5 is to determine the weight of each of the components (social support) to southern Asian and Scandinavian Countries; reference is made to their regression coefficients as shown in the table

above. Using the standardized beta coefficients, the constant “a” would disappear and the regression equation is of the form:

Sothern Asian Countries (Bangladesh, India, Pakistan)

$$Y (\text{Happiness Score}) = a + b_1x_1 (\text{Econo_GDP}) + b_2x_2 (\text{Family}) + b_3x_3 (\text{Health}) + b_4x_4 (\text{Freedom}) + b_5x_5 (\text{Trust}) + b_6x_6 (\text{Generosity})$$

$$Y = -0.902x_1 + 0.467x_2 - 0.850x_3 - 0.736x_4 - 0.099x_5 - 0.030x_6$$

The regression coefficients for economy GDP per capita, family, health (life expectancy), freedom, trust (government corruption) and generosity as obtained from coefficients table are -0.902, 0.467, -0.850, -0.736, -0.099 and -0.030 respectively, which shows that “Family” is of more effect than “generosity”, while “trust” and “freedom” is of less effect than “generosity” and “health” is of less effect than the four above while “economy GDP per capita” is of less effect than the five above in explaining social support in Southern Asian. The table further reveals that, with P-values of 0.013, 0.022, 0.030, 0.147, 0.793 and 0.954 for economy GDP per capita, family, health (life expectancy), freedom, trust (government corruption) and generosity respectively. Therefore, it can be concluded that there is significant variation among the social supports of their happiness score in Southern Asian.

Scandinavian Countries (Denmark, Iceland, Norway, Switzerland)

$$Y (\text{Happiness Score}) = a + b_1x_1 (\text{Econo_GDP}) + b_2x_2 (\text{Family}) + b_3x_3 (\text{Health}) + b_4x_4 (\text{Freedom}) + b_5x_5 (\text{Trust}) + b_6x_6 (\text{Generosity})$$

$$Y = -0.124x_1 - 0.252x_2 - 0.040x_3 + 0.674x_4 + 0.229x_5 + 0.231x_6$$

The regression coefficients for economy GDP per capita, family, health (life expectancy), freedom, trust (government corruption) and generosity as obtained from coefficients table are 3.593, -8.903, 14.528, 2261.719 and -8.647 respectively, which shows that “freedom” is of more effect than “generosity”, while “trust” and “health” is of less effect than “generosity” and “economy GDP per capita” is of less effect than the four above while “family” is of less effect than the five above in explaining social support in Scandinavian Countries. The table further reveals that, with P-values of 0.775, 0.662, 0.944, 0.235, 0.705 and 0.693 for economy GDP per capita, family, health (life expectancy), freedom, trust (government corruption) and generosity respectively. Therefore, it can be concluded that there is no significant variation among the social supports of their happiness score in Scandinavian Countries

5 Discussion

Our analysis shows that there are significant relationships between GDP per capita economy life expectancy, freedom trust in government, family support and generosity in the World Happiness Report and there are also significant variations between those in southern Asian countries such as Bangladesh, India and Pakistan. When we look at the data, we have found that family, generosity and trust in government have a greater impact on people's happiness in all of these countries, even though GDP per capita and health are improving. Bhattacharyya et al (2009) in his paper shows that GDP would not be a key factor for the nation's happiness.

On the other hand, systematic corruption in the Nordic countries was rooted out well before the universal welfare programme. Countries with smaller welfare systems tend to have higher levels of corruption, lower levels of social trust and well-being (Rothstein, 2010).

6 Conclusions

In conclusion countries like Bangladesh, India and Pakistan need to improve their welfare systems in order to increase the happiness of their people as they lag behind in improving family support, trust in government and generosity.

7 Appendix

Bitbucket Repository: <https://bitbucket.org/sakhawat75/group-65-7com1079-coursework>

Trello Board: <https://trello.com/b/OB07KrYt/group-65-coursework7com1079>

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