What explains the variation in happiness within a country, and how can wellbeing be improved by public policy?

Happiness is a subjective and complex emotion that has become increasingly popular in measuring the growth and welfare of an economy. For a few years, this has had more essence than income and GDP as a key variable of public policy for the UN and governments of several nations

Happiness with respect to Public policy explains how policies along with government actions can influence the well-being of the people and ensure that the economy is not only growing with respect to physical output but also with respect to the happiness quotient. The relationship between happiness and public policy is interestingly intense and depends upon various social, cultural, and economic factors.

An example of this can be, the government of India deciding to increase the overall economic growth as part of its public policy, causing firms to produce additional output and requiring them to hire more workers, due to which the country's unemployment will fall. The decrease in unemployment will result in a redistribution of income giving these workers a sense of financial stability and an improved standard of living. This certainly will increase their level of happiness and well-being constructing a direct relationship between public policy and happiness.

Happiness differs drastically, not just between countries, but also within a country.

Happiness can vary within a country due to the following factors:

Economic Conditions in different parts of the Country may vary**:** Individuals in more prosperous regions or from wealthier families tend to self-report as happier. This includes aspects like income level, job security, and perceived opportunity for socio-economic advancement.

Health & Well-being: Physical and mental health significantly impacts happiness. This includes personal health and access to quality healthcare services.

Social Relationships: Strong personal connections and social networks contribute to happiness. This refers to family relationships, friendships, and involvement in social activities or community events.

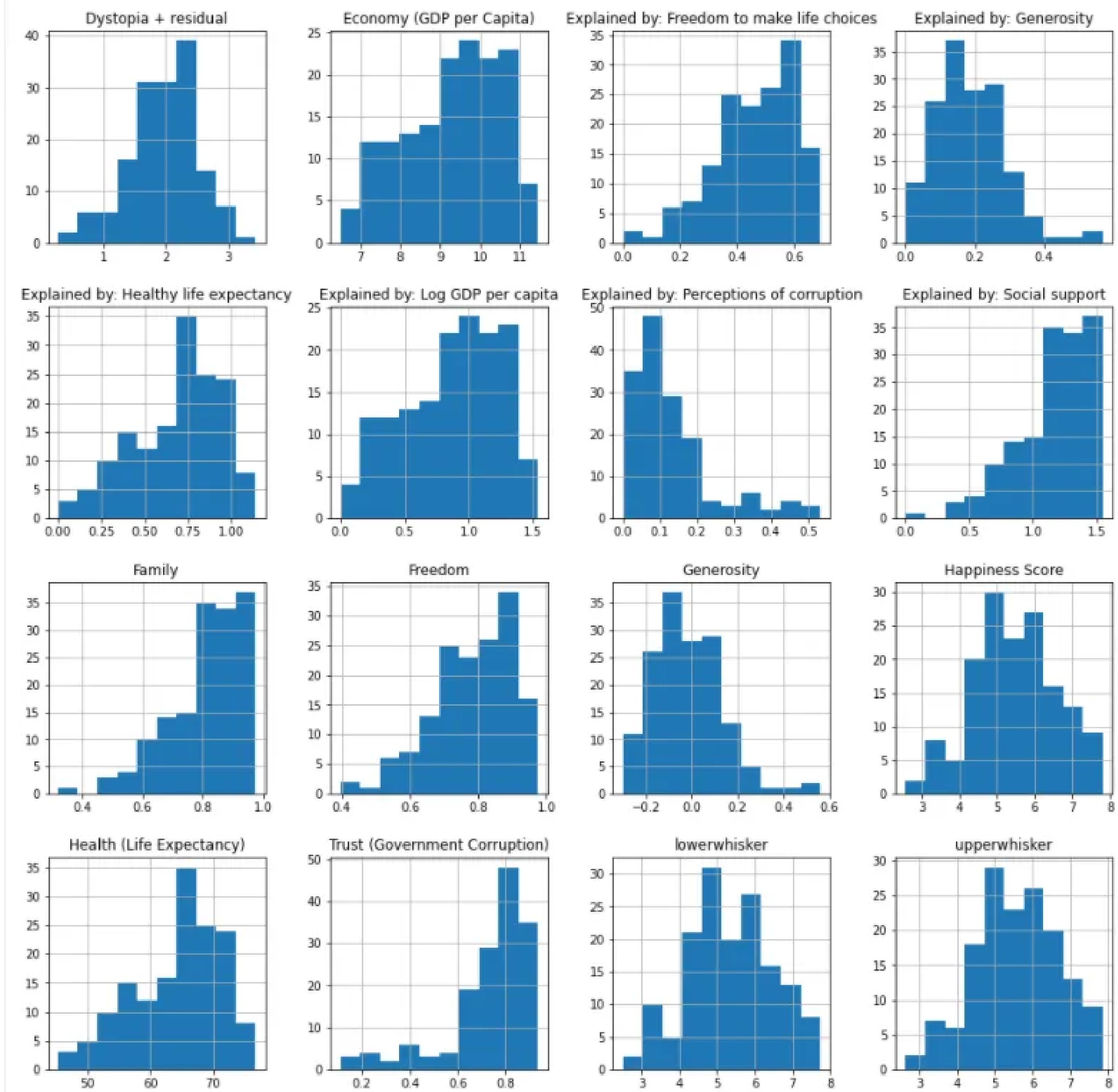
Age and Personality Traits: Some studies suggest that age may influence happiness, with older people generally being happier. Personality traits like optimism and resilience can also alter individuals' experiences of happiness.

Let us consider Economic conditions in different parts of the country:
Economic conditions refer to the overarching state of the economy at a given time, dictated primarily by cyclical patterns and impacted by several key parameters such as inflation rates, gross domestic product (GDP), employment rates, etc. These conditions indicate the health of an economy and can have profound effects on other societal aspects, including political stability, public policy, and individual purchasing power.
Income levels are the scale or ranges of earnings among individuals or groups. They are typically categorized into brackets like low-income, middle-income, and high-income. These levels influence economic conditions as they tend to correlate with consumer spending power. Higher-income levels usually equate to an increase in discretionary spending, thus stimulating the economy.

Job security measures the likelihood or degree of permanence an employee has in their current job role. High job security indicates a low risk of job loss and thus, typically leads to increased confidence and spending, positively impacting the economy. On the other hand, lower job security may lead to increased saving and lower spending, potentially impacting the economy adversely.

As stated in the article “Happiness and Life Satisfaction by Ortiz and Roser, 2017,” Social scientists often recommend that measures of subjective well-being should augment the usual measures of economic prosperity, such as GDP per capita.[1] But how can happiness be measured? Are there reliable comparisons of happiness across time and space that can give us clues regarding what makes people declare themselves ‘happy’?

In fact Kaggle's Website world-happiness-report. Shares the following data:



These are a few of the parameters that enable an economy to identify the factors impacting happiness in an economy. Based on this analysis one can say that Happiest Countries have Higher GDP Per Capita, Social Support from Family, Trust in Government, More Life Expectancy and people have more Freedom to make Life choices compared to Unhappiest Countries.

Happiness and well-being are closely related. Well-being refers to a more broader and holistic view of society and individuals. It encompasses several factors like income and wealth; employment and job security; and many more. Thus if well-being were to be a variable of public policy it would definitely lead to a more holistic and qualitative growth in an economy. The question under discussion is how well being improves upon public policy.

Economic well-being and public policy are deeply intertwined. When economic well-being improves, it can contribute to more effective and efficient public policy in various ways:
Resources for Public Services: A thriving economy means more revenue for governments through taxes and other sources. This additional revenue can be channeled into public services like health, education, and infrastructure, which enhances the quality of life for citizens. Most of the global economies are in fact following this to ensure a value-based growth of the economy.

Informed Decision Making: A prospering economy often correlates with better education and informed citizenry. When citizens are well-informed, they can actively participate in the democratic process, influencing policymakers to craft and implement better public policies.Awareness programmes to harness the same go a long way in harnessing the true potential of an economy.

Reduction in Welfare Dependency: Economic well-being reduces the number of people relying on welfare or unemployment benefits. This can free up government resources to be invested elsewhere, such as in research, infrastructure, or other long-term projects that can further improve public policy outcomes.[Give an example here}

Enhanced Public Health: Economic well-being can lead to better health outcomes for the population, reducing the strain on public health systems. When fewer resources are needed to address public health emergencies, policymakers can focus on preventive measures and long-term health strategies. Local and district public health systems can help ensure better management at grass root level.

Attracting Talent and making the economy innovation ready*:* A thriving economy can attract talented professionals and entrepreneurs from around the world. This influx of talent can introduce new ideas, technologies, and innovations, which can in turn inform and improve public policies. Economic prosperity often supports a culture of innovation. When businesses and individuals are doing well, there's more investment in research and development. This innovation can spill over into public policy, leading to new and more effective solutions to societal challenges.

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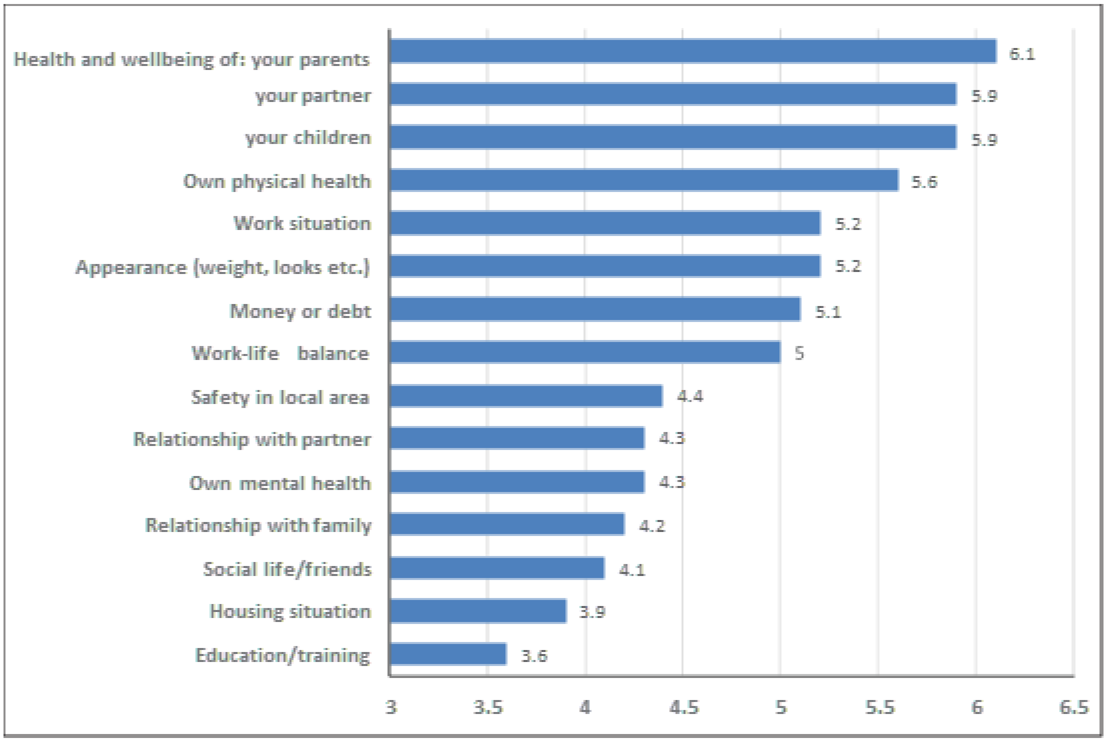

explains that individuals are worried about the following causes which makes them less happy and more stressed. The above factors contribute to lack of happiness and well being. This in turn impacts the overall productivity of the labor force. As a result, well -being is an important variable to ensure a more effective public policy.

In conclusion, it is clear how the level of happiness can vary within a nation due to various factors, such as economic conditions, health, etc. but also due to more implicit factors such as social relationships and personality traits. The spending of individuals is determined by their income levels, while stable employment in nations reaps confidence and spending patterns. Integrating happiness into public policy is vital as it broadens the scope of growth assessment, emphasizing a qualitative approach, which is often more beneficial than just a quantitative approach. Economic well-being and public policy are intertwined, as an increase in well-being can lead to more resources for public services, more informed decision making and a populace that is less dependent on government welfare, which has an opportunity cost. Finally, an economy with greater well-being is said to be quite healthy, which not only ensures that they are able to contribute to the GDP of the nation, but also reduces the government spending on healthcare, and allows the government to allocate these funds elsewhere. Hence, it is clear how various factors can explain the happiness in a country and how it may contribute to enhanced well-being in an economy.

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