

Why Europeans Work To Live and Americans Live To Work?

Adam Okulicz-Kozaryn

Institute for Quantitative Social Science at Harvard

[http://people.hmdc.harvard.edu/~akozyarn/
aokuliczkozaryn@hmdc.harvard.edu](http://people.hmdc.harvard.edu/~akozyarn/aokuliczkozaryn@hmdc.harvard.edu)

Overview

- (1) Literature Review
- (2) Data
- (3) Analysis

Summary of Findings

- (1) Americans who work longer hours are happier than those who work less
- (2) Europeans who work more are less happy than those who less
- (3) Not sure about causality whether working more causes more happiness in the US than in Europe: please helpo how to claim causality IV? ideas?

Europeans Like Leisure The Economist

Time spent eating and sleeping

2006, minutes per day

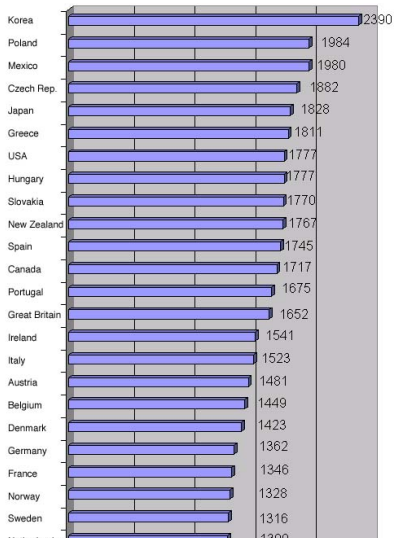


Source: OECD



Europeans Work Less Than Americans OECD in Figures

http://en.wikipedia.org/wiki/Working_hours



Economic

- ▶ Tax rates
- ▶ Within skill wage differences (Michelacci and Pijoan-Mas, 2007a,b)
- ▶ Higher Social Mobility in the US (Alesina et al., 2004)
- ▶ Unionization greater in Europe (Wharton, 2006)

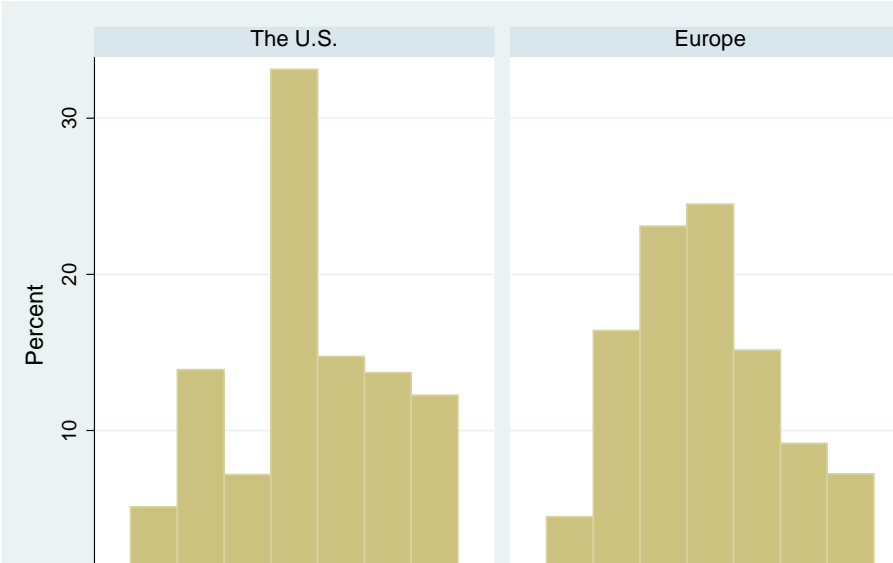
Cultural

- ▶ Protestant ethic ([Weber et al., 2003](#))
- ▶ More protestant ethic in the US ([Ferguson, 2003](#))
- ▶ Americans are concerned about status,
Europeans about leisure ([Wharton, 2006](#))

Data

- (1) Eurobarometer (EB) 1996, 2001
- (2) *Would you say you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the life you lead ?*
- (3) General Social Survey (GSS)
- (4) *Taken all together, how would you say things are these days—would you say that you are very happy, pretty happy, or not too happy ?* (Koenig et al., 2001)

Working Hours and Happiness in the US and Europe



Working Hours and Happiness in the US and Europe

The U.S.

2.5

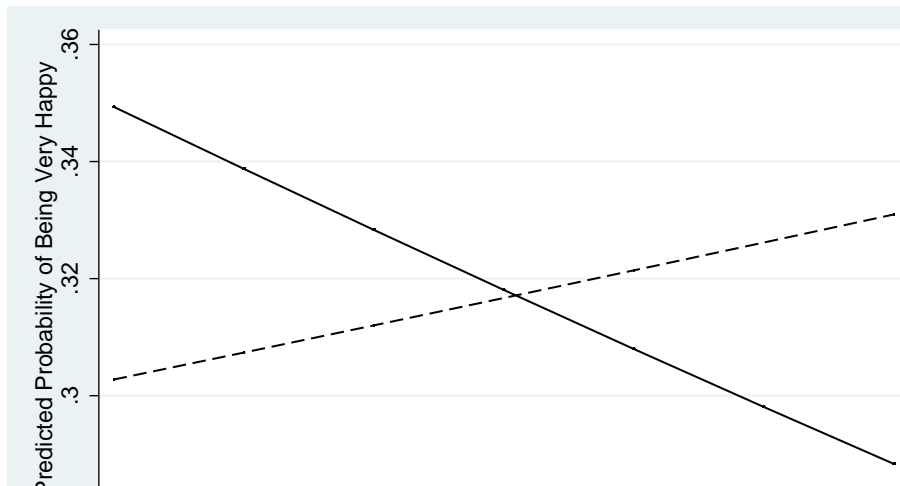
2

Europe

4



Predicted probability of being very happy (in GSS00 and EB01)



Ordered logit of happiness (Odds ratios reported)

Variable	GSS96-EB96	GSS00-EB01	GSS02-EB01
Working Hours * Europe	0.943* (0.032)	0.935* (0.035)	0.874*** (0.042)
Household Income	1.403*** (0.041)	1.498*** (0.041)	1.507*** (0.044)
Working Hours	0.964 (0.028)	1.020 (0.033)	1.091** (0.048)
Europe	1.524 (0.395)	1.841* (0.575)	2.339** (0.807)
Married	1.849*** (0.120)	1.629*** (0.092)	1.589*** (0.097)
Age	0.922*** (0.014)	0.951*** (0.013)	0.941*** (0.013)
Age ²	1.001*** (0.000)	1.000*** (0.000)	1.001*** (0.000)
Region and Country Dummies	Yes	Yes	Yes
N	6746	6770	5956

Limitations: Causality ? Endogeneity ?

- ▶ JOLE: labor supply is endogenous: people choose how many hours to work based on how happy it makes them
- ▶ it is rather expectation of happiness that makes Americans work more than Europeans, not that happy people work more (although this is somewhat possible). Expectation of happiness is not the same as happiness. Everybody seems to be happy with something else
- ▶ Not Really !

Limitations

- (1) Little research has been done to compare people with different religious beliefs and backgrounds [Koenig et al. \(2001\)](#)
- (2) Most findings to date are based on the US data (mostly General Social Survey) (e.g. [Ferriss \(2002\)](#), [Ellison \(1991\)](#), [Kirk Hadaway \(1978\)](#))
- (3) Few examples of cross-national research that directly focus on religion (e.g. [Clark and Lelkes \(2009\)](#), [Dorahy et al. \(1998\)](#), [Greene and Yoon \(2004\)](#))

Summary of Findings

- (1) Religious People are Happier in Religious Nations
- (2) Social religiosity makes people happier
- (3) Individual religiosity has no effect or negative effect on happiness
- (4) Religiosity alleviates unemployment unhappiness in rich but not poor countries

- ALESINA, A., R. D. TELLA, AND R. MACCULLOCH (2004): "Inequality and Happiness: Are Europeans and Americans Different?" Journal of Public Economics, 88, 2009–2042.
- CLARK, A. E. AND O. LELKES (2009): "Let us pray: religious interactions in life satisfaction," PSE Working Papers 2009, PSE (Ecole normale supérieure).
- DORAHY, M. J., C. A. LEWIS, J. F. SCHUMAKER, R. AKUAMOAH-BOATENG, M. DUZE, AND T. E. SIBIYA (1998): "A cross-cultural analysis of religion and life satisfaction." Mental Health, Religion & Culture, 1, p37.
- ELLISON, C. G. (1991): "Religious Involvement and Subjective Well-Being." Journal of Health & Social Behavior, 32, p80 – 99.
- FERGUSON, N. (2003): "Why America Outpaces Europe (Clue: The God Factor)," The New York Times.
- FERRISS, A. L. (2002): "Religion and the Quality of Life." Journal of Happiness Studies, 3, p199 – 215.
- GREENE, K. V. AND B. J. YOON (2004): "Religiosity, Economics and Life Satisfaction," Review of social economy, 62, 245–261.
- KIRK HADAWAY, C. (1978): "Life Satisfaction and Religion: A Reanalysis." Social Forces, 57, p636 – 643.
- KOENIG, H. G., M. E. MCCULLOUGH, AND D. B. LARSON (2001): Handbook of Religion and Health, Oxford University Press.
- MICHELACCI, C. AND J. PIJOAN-MAS (2007a): "The Effects of Labor Market Conditions on Working Time: the US-EU Experience," CEPR Discussion Paper, 6314.
- (2007b): "Why Do Americans Work More Than Europeans? Differences in Career Prospects." CEPR Policy Insight, 12.

WEBER, M., T. PARSONS, AND R. H. TAWNEY (2003): The Protestant Ethic and the Spirit of Capitalism (Dover Value Editions), Dover Publications.

WHARTON (2006): "Reluctant Vacationers: Why Americans Work More, Relax Less, Than Europeans,"
[http : //knowledge.wharton.uppen.edu/article.cfm?articleid = 1528](http://knowledge.wharton.uppen.edu/article.cfm?articleid=1528).