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Unlocking Happiness: Socioeconomic Determinants Across Selected Asian Countries

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ABSTRACT

The current study was conducted to examine the factors that contribute to happiness of the individuals in selected Asian countries. The panel data from year 2006 to 2023 of thirty Asian countries were collected from world Happiness Report (WHR), World Development Indicator (WDI) and KOF Index. Two models were constructed, and in each model, happiness was used as a dependent variable with thirteen independent variables (viz., social support, healthy life expectancy, freedom to make life choices, generosity, perception of corruption, private consumption, inflation, unemployment, government expenditure and globalization, economic globalization, social globalization and political globalization) in both models. The results of both the models were attained via Fixed Effect technique. In both the models, one social factor: social support and one economic factor: government expenditures appeared to be statistically significant positive determinants of happiness, whereas, three economic factors (viz., inflation, unemployment and private consumption) appeared as statistically significant negative determinants of happiness. The results indicated that overall globalization (model-1) and, economic globalization and social globalization (model-2) had statistically significant positive impact on happiness. It was concluded that in the overall globalization index, the share of economic and social globalizations is more effective to make individuals happy than that of political globalization. The governments of the selected Asian countries are recommended that they should focus on creating an environment to increase social support and should extend efforts to accelerate social and economic globalization. Governments should spend on welfare projects to feel people happy via bringing down inflation and unemployment rates and discouraging conspicuous private consumption.

Keywords: Happiness; globalization; social support; fixed effects; asian countries

1. Introduction

Happiness does have a pretty important role in our lives, and it can have a massive impact on the way we live our lives. Happiness is considered vital because it can improve quality of life and make people feel good. The concept of happiness is not a novel area of study in Economics. Adam Smith, in his work “The theory of moral sentiments” (1759), delved into the idea of happiness and expresses his belief that all individuals, regardless

of social status, are nearly equal in what truly brings happiness to human life. He posited that the pursuit of respect and admiration from others is a significant goal, achievable through the cultivation of wisdom and virtue rather than the accumulation of wealth and power. Additionally, Smith argued that the value of any government system lies in its ability to enhance the happiness of its citizens. Smith is often associated with the idea that governments can inadvertently contribute to societal progress through

individual's self-interest (McLaren, 2006). Other early economists have also dedicated their efforts to understanding and explaining happiness. The perception of happiness can be traced back to ancient philosophical thoughts, where it was frequently attached to good deeds and the contented life (Aristotle, 350 BCE). Happiness is a natural right of an individual to freedom and property (Locke, 1821). Bentham (1879) presented utilitarianism during 19th century, accentuated happiness to be the best good while gauging the values of actions. In modern-day economics, happiness is frequently quantified using indicators for example, the Gross National Happiness Index, combining subjective well-being and policy-making (Ura et al., 2012). The contemporary social scientists are examining the factors like, work-life balance, income, and social networks that impact overall life satisfaction and happiness (Easterlin, 1974).

Happiness is commonly understood as a state of well-being and contentment (Ghazali et al., 2023). According to (Layard.,2011), happiness is defined as experiencing pleasure, feeling good, and enjoying life. Economists believe that life circumstances, especially income growth, have a long-lasting impact on happiness. Increasing income enhances well-being, and policies aimed at boosting society's welfare can lead to greater overall happiness. The world happiness report (2023) has ranked different Asian countries at different levels of happiness like; Pakistan (7.74), India (4.036), China (5.517), Bangladesh (4.665), Japan (6.234) Nepal (5.36) Malaysia (6.008) and Indonesia (5.923).

In order to increase happiness in developing countries, we need to assess the determinants of happiness. It is established that there is a close connection between happiness and country's GDP. This fact is reflected by situation in developed countries where level of happiness has been reported to be higher. Many factors determine happiness like; social support, healthy life expectancy, unemployment, inflation, globalization, freedom to make life choices etc. In developed countries like; Finland, Iceland, Norway, Sweden, Denmark, factors like; strong social safety nets, better health qualities and low level of crime rates have brought high level of happiness. Dennison (2022) observed a significant and favorable relationship between happiness and social support. Happiness and social support have an ideal and substantial relationship (Tuna et al., 2023). Tuna et al. (2023)

found a significant positive connection between happiness and healthy life expectancy. Ghazali et al. (2023) discovered a positive correlation between happiness and healthy life expectancy. Afia (2019) assessed a negative significant relationship between inflation and happiness. Zohal and Hessami (2009) found a positive significant relationship between Economic Globalization and Happiness. Kumari et al (2021) found a positive significant relationship between Economic Globalization and happiness in the long-run.

Globalization can augment individuals' happiness in many ways for example, by cultural exchanges, growing access to variety of economic goods and services, and expanding choices and prospects. It frequently paves the necessary path to economic growth, providing employment and added incomes, which might bring decent standards of living. Moreover, globalization eases across the border networks and nurture societal interactions and involvements. Though, its negative impacts might lead to economic inequality and cultural similarity, which in turn, might negatively influence happiness. Keeping these balances are indispensable to make the most of the happiness resulted from globalization.

Dennison (2022) highlighted the positive and significant relationship between freedom to make life choices and happiness. Tuna et al. (2023) concluded that there was a positive and significant relationship between freedom to make life choices and happiness respectively. In order to measure the happiness of a country, various variables have been used as proxy of happiness, including, access to healthcare, income levels, the overall well-being of the population, political stability, employment opportunities, safety and security, educational access, and the quality of the social and natural environment (Layard.,2011).

The concept of happiness is central in economics as it provides insights into the welfare of individuals of every culture. Such studies might support policymakers to comprehend what contributes to better quality of life besides financial benefits. By assessing contributing factors of happiness, economists are enabled to categorize the societal factors that might bring economic stability. Such understanding might guide to more effective policies intended to improve general welfare. Eventually, if happiness is integrated into economic investigation, it will

foster a rather holistic understanding of development process.

2. Literature Review

Existing literature indicates different socio-economic and psychological factors that affect happiness in different societies. For example, Shahbaz and Aamir (2008) examined macroeconomic factors that affect people's happiness in Pakistan. The results of the ARDL model show that macroeconomic shocks, GDP per capita, inflation, trade, FDI, and tax revenue have negative and significant impact on happiness, whereas remittances, and trade balance have positive and significant influence on happiness. The impact of urbanization and foreign direct investment (FDI) on happiness was found non-significant. Wang et al. (2015) through the results of pooled ordinary least squares (POLS) and fixed effects indicated that total consumption, food, clothing, communication and transport, educational institutions, recreation, promotions, assistance, mortgage, and other costs had positive and significant impact on happiness, whereas; a place of residence, basic needs, health care had negative significant influence on happiness. Yilmaz and Tag (2016) conducted a study on connection between happiness and financial independence in 137 countries using panel data from 2008 to 2013. The results of pooled OLS and pooled FGLS revealed that the principles of legal governance, efficiency of regulations, free competition, government expenditure as a percentage of the gross domestic product, human expansion index, support from others, independence of choice or charity had positive significant impacts on happiness whereas, the impact of unemployment appeared to be non-significant.

Bianjing and Haijing (2016) assessed the impact of economic globalization on happiness in China. The results of ordered probit model revealed that economic globalization primarily affects individual's happiness by enhancing family income and health conditions, decreasing inflation and unemployment rates, and reducing the wealth gap between different socioeconomic groups. Satrovic (2018) examined the impact of control of corruption on happiness in 59 countries. The outcomes of linear static and dynamic panel data estimators, ARDL and GMM indicated that control of corruption, GDP per capita, social support, healthy life expectancy, freedom to make

life choices and generosity had a positive and significant impacts on happiness.

Samreen and Majeed (2019) showed through the results drawn using Driscoll-Kraay Standard Errors, Generalized Method of Moments (GMM), Instrumental variable fixed effect model (IVFE), Random effect model (REM), and Fixed effect model (FEM) that social development has a significant positive impact on happiness. GDP per capita and trade have positive and significant impacts, while inflation has negative impact on happiness. Nordheim and Martinussen. (2019) investigated the effects of social spending on individual's happiness/life satisfaction in OECD countries. The results of fixed effects and clustered standard errors showed that social spending including spending related to health care, and poverty had positive impacts, and spending associated with unemployment and labor market programmes had negative impacts. Kasmaoui and Bourhaba (2020) focused 132 nations' happiness in relation to governmental spending. The results of Pooled, fixed effect, and GMM models indicated that happiness was significantly influenced by government spending, social support, healthy life expectancy, freedom to make life choices, and confidence in the national government. Kasman and Kasman (2020) investigated the impact of obesity and income on happiness for European Union (EU) countries using panel data (2005-2016). The results of GMM model indicated that obesity and real income had significant positive impact on happiness. While income inequality and unemployment had significant negative impacts on happiness. Whereas effect of household debt, urbanization, and inflation on happiness were found to be nonsignificant.

Kumari et al. (2021) examined the effects of globalization on happiness in nine lower middle-income countries (LMICs) using secondary data (2006-2016). The results of ARDL and Pooled Mean Group (PMG) Model indicated that inflation and unemployment significantly negatively impacted happiness, whereas economic growth significantly positively influenced happiness. Economic globalization was found to had positive impact on happiness in the long term, but negative effects in the short term. In the same year (2021) Kumari et al., studied the effect of economic factors on happiness in 21 developing business sector economies (EMEs). The results of panel corrected standard error model (PCSE) and the Prais-Winsten model indicated that happiness was

positively impacted by social support, economic expansion, and inflation, while negatively impacted by corruption, globalization, and inflation. Dennison (2022) examined the effect of globalization on happiness for 152 countries and the results of linear regression model indicated that GDP, social support, freedom to make life choices, perception of corruption, and generosity had positive significant impact on happiness and impact of imports, exports, migration, foreign direct investment was non-significant. Ghazali et al. (2023) showed through the results drawn using fixed effect model that income plays an important role in determining happiness. Unemployment had negative and significant impact on happiness in high-income and middle-income countries, but had non-significant impact on happiness in low-income countries. Additionally, corruption had a significant influence on happiness. Furthermore, healthy life expectancy positively significantly impacted happiness in middle-income and low-income countries.

Literature indicates that there are different determinants of happiness in different countries across the globe, but there is a lack of comprehensive research that collectively examines all the possible socio-economic factors (e.g., social factors such as social support, healthy life expectancy, freedom of choice, generosity, perception of corruption; and economic factors such as private consumption, inflation, unemployment, government expenditures, overall globalization and its sub dimensions like., economic globalization social globalization and political globalization) contributing to happiness in Asian countries in a single study. Provided that happiness is influenced by various factors beyond material conditions (e.g., private consumption, an extended lifespan, companionship, kindness, and the ability to choose own decisions, inflation, unemployment, perception of exploitation, government expenditure, globalization, economic globalization and social globalization), and factors like; loneliness, high rate of inflation, corruption, health issues, lack of freedom, high globalization and high unemployment rates contribute to unhappiness, it is crucial to examine the determinants of happiness in a comprehensive study. The present study is focused on all such factors (social support, healthy life expectancy, freedom to make life choices, generosity etc.) that contribute in happiness.

As the Asian countries have their peculiar socio-economic challenges, holding assorted

economies, cultures, and communal set ups, which impact happiness in a different way, so, the study focused to carve out the determinants of happiness in selected Asian countries. Understanding happiness can update policymakers on societal cohesion and quality of life, predominantly in swiftly developing nations. Due to its substantial role in the world economy, Asia's visions into happiness can impact global trade and investment policies. Besides all this, studies on happiness can address persistent problems related to inequality and mental health widespread in several Asian countries. Undertaking studies on determinants of happiness might support the holistic approach to sustainable development, embracing the United Nations' reiteration on welfare in its Sustainable Development Goals (SDGs) (United Nations, 2015).

Hence, this study addresses the question : what are the socio-economic determining factors of happiness in selected Asian countries?

According the study designed, we hypothesized that H₁: Social factors (viz., freedom to make life choices, perception of corruption, consumption generosity, social support) significantly impact happiness. H₂: Economic factors (viz., government expenditures, healthy life expectancy, unemployment, Inflation) and overall globalization significantly impact happiness.

3. Data and Methodology

3.1. Study area and data used

This study approaches 30 Asian countries and data was composed through world happiness report; world development indicator and KOF Index ranged from 2006-2023. For measurement of happiness, the World Happiness Reports (WHR), which include a number of independent variables in the model that affect happiness like, social support, healthy life expectancy, freedom to make life choices, generosity, and perception of corruption. The list of the countries involved in the study are: Armenia, Azerbaijan, Bangladesh, Cambodia, Cyprus, Georgia, Hong Kong, India, Indonesia, Israel, Japan, Jordan, Kazakhstan, Kyrgyzstan, Laos, Lebanon, Malaysia, Mongolia, Nepal, Pakistan, Philippines, Saudi-Arabia, Singapore, Sri Lanka, Tajikistan, Thailand, Turkey, Uzbekistan, Vietnam, and Yemen.

3.2. Model Specification

To attain the results following models are constructed.

Model 1.

$$\text{Happi}_{it} = \beta_1 + \beta_2 \text{Soc Sup}_{it} + \beta_3 \text{HLE}_{it} + \beta_4 \text{FMLC}_{it} + \beta_5 \text{GEN}_{it} + \beta_6 \text{PC}_{it} + \beta_7 \text{Priv Con}_{it} + \beta_8 \text{Inf}_{it} + \beta_9 \text{UNE}_{it} + \beta_{10} \text{GoExp}_{it} + \beta_{11} \text{Glo}_{it} + \varepsilon_{it}$$

Model 2.

$$\text{Happi}_{it} = \beta_1 + \beta_2 \text{Soc Sup}_{it} + \beta_3 \text{HLE}_{it} + \beta_4 \text{FMLC}_{it} + \beta_5 \text{GEN}_{it} + \beta_6 \text{PC}_{it} + \beta_7 \text{Priv Con}_{it} + \beta_8 \text{Inf}_{it} + \beta_9 \text{UNE}_{it} + \beta_{10} \text{GoExp}_{it} + \beta_{11} \text{EoGLO}_{it} + \beta_{12} \text{SoGLO}_{it} + \beta_{13} \text{PoGLO}_{it} + \varepsilon_{it}$$

Where, Happi=Happiness; Soc Sup=Social Support; HLE=Healthy life expectancy; FMLC=Freedom to make life choices; GEN=Generosity; PC=Perception of corruption; Priv Con=Private Consumption; Inf=Inflation; UN=Unemployment; Gov Exp=Government Expenditures; GLO=Globalization; EoGLO=Economic Globalization; SoGLO= Social Globalization; PoGLO=Political Globalization; β_1 is intercept and β_2 β_{11} are the slopes coefficients of the concerned variables.

Operational definition of the study variables

Happiness (HAPPI)

Data about happiness were collected through world happiness report (WHR) ranged from 2006-2023. Happiness was measured through life ladder with a point (0–10). The respondent was asked to rank their existing happiness on a scale of 0 to 10, whereas ‘0’ represents their worst possible life/unhappiness and 10 represents the happiest life.

The variable social support (or having someone to count on in difficult times) was measured through questions with 0 or 1 scale. The national average of the binary answers (either 0 or 1) to the Gallup word pool (GWP) question, “If you were in trouble, do you have relatives or friends you can count on to help you whenever you need them, or not?” Healthy life expectancy is the average number of years a person is expected to live in good health, based on current mortality rates and how people perceive their health. The variable Freedom to make life choices were measured through the national average of answers to the Gallup world pool (GWP) question was freedom to choose: “Are you satisfied or dissatisfied with your freedom to choose what you do with your

life?” The variable generosity was measured through the residual of regressing the country-wide average of responses to the Gallup world pool (GWP) question was known as generosity: “Have you donated money to a charity in the past month?” on GDP per capita. The variable perception of corruption measured by the indicator, was overall average of survey responses to the following two Gallup World Poll (GWP) questions: “Is corruption widespread throughout the government or not” and “Is corruption widespread within businesses or not?” The question was either 0 or 1. The variable private consumption was measured through final consumption expenditures (% of GDP). The variable inflation was represented by GDP deflator, the ratio of nominal to real GDP. The variable Unemployment was measured through unemployed individuals as percentage of total labor force. The variable government expenditure was measured through government’s final consumption expenditure (% of GDP). Globalization is a term used to describe how trade and technology have made the world into a more connected and interdependent place. The variables overall globalization and its sub-indices viz., Economic globalization, social globalization, Political globalization) were collected through KOF index (Dreher, 2006).

3.3. Unit root test

The statistical evaluation of the panel dataset must include unit root testing. Estimation of the unit root analysis is done to confirm whether or not variables are non-stationary. One common technique for determining if a variable is stationary is the ADF test. David Dickey and Wayne Fuller was introduced the Augmented Dickey-Fuller test in 1979. The extra lag length value of the explained variable is used in the ADF test to quantify the autocorrelation issue. Two hypotheses are constructed in the unit root testing and these hypotheses are; H_0 : Variables are non-stationary; H_1 : Variables are stationary.

3.4. Fixed effects technique

This technique employs distinct constants for each group, encompassing the entire specific influence of the individual that remains constant. The estimator utilized is the least square dummy variable estimator, comprising dummy variables for each group. In cases of large panel surveys with numerous individual members, a substantial number of dummy constants may be included.

Generally, this model is regarded as presenting different intercepts for every cross-sectional unit.

3.5. Hausman test

The Hausman test by Hausman (1978) allows one to choose between the constant as well as random consequence figuring out methods. This test is used in panel data to select amongst a model with a fixed impact by a random effect framework. The fixed effect is strongly encouraged by the estimated p-value around 0.0000.

4. Results

4.1. Descriptive Statistics

Mean, median, minimum, maximum, standard deviation, skewness, and kurtosis have been given in column 2 to 8 variable are given in column 1 in table 1. Kurtosis describes the probability distribution that falls in the tails despite its center. When a variable is a normally distribution,

the value of kurtosis should be three (or zero in some models). Positive or negative kurtosis thus change the shape of the distribution. In Table 1 Kurtosis values of most of the variables are 3 or greater than 3 so they are normally distributed.

If the value of skewness lies between -1 and +1, it is usually labelled as good, whereas, if the values lie between -2 and +2, they are acceptable. But if the values stand outside these ranges, it refers towards considerable non-normality. The Table 1 shows values of skewness lie between -1 and +1. Hence, we label the variables as normally distributed.

4.2. Inter-correlation of the study variables

Table 2 shows the results of Inter-correlation of the study variables. Results indicate that all variables are correlated with each and mostly variables are correlated with happiness.

Table 1. Descriptive Statistics of the study variable star

Variables	Mean	Median	Min	Max	Std. dev	Skewness	Kurtosis
HAPPI	5.2539	5.2418	1.7238	8.0264	0.8922	-0.0552	3.5996
SS	0.7905	0.8165	0.2669	1.0273	0.1147	-0.9784	3.7799
HLE	64.2610	63.8054	52.7	77.2797	5.4543	0.4541	3.0051
FMLC	0.7590	0.7833	0.1868	0.9993	0.1452	-0.9930	3.9024
GEN	0.0227	0.0131	-0.6701	0.57201	0.1849	0.45318	3.3006
PC	0.7286	0.7935	-0.2365	1.1014	0.2178	-1.795	6.20212
Priv CON	78.957	76.53	39.476	181.63	18.31	1.1635	7.11011
INF	139.84	117.01	60.192	2709.1	141.29	13.7057	228.83
UN	6.3141	5.125	0.14	20.71	4.2085	0.9349	3.4763
GGFCE	12.936	12.226	2.360	29.322	4.563	0.5353	3.0059
GLO	62.636	63.207	38.06	83.72	10.892	-0.0914	2.28001
EoGLO	59.411	59.518	24.693	94.582	15.644	-0.0418	2.5945
SoGLO	60.356	59.922	26.878	90.78	15.398	0.21417	2.12461
PoGLO	68.1041	68.21526	27.56561	93.27963	14.88156	-0.61177	3.107791

Source: Researchers own calculations

Table 2. Inter-correlation of the study variables

No	Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	LL	1													
2	SS	.59**	1												
3	HLE	.49**	.	1											
4	FMLC	.26**	.34**	.14**	1										
5	GEN	.15**	.19**	-.02	.31**	1									
6	PC	-.28**	-.06*	-.31**	-.21**	.20**	1								
7	Priv con	-.48**	-.27**	-.27**	-.27**	-.14**	.29**	1							
8	INF	-.251**	-.14*	.01	-.11*	-.04	.04	.19**	1						
9	UN	-.36**	-.25**	-.05	-.4**	-.43**	.08	.45**	.13**	1					
10	Gov Exp	.46**	.39**	.34**	-.08	-.14**	-.08	.07	-.14**	.15**	1				
11	GLO	.48**	.27**	.72**	.006	-.08	-.09	-.31**	-.013	.03	.43**	1			
12	EGlo	.380**	.283**	.663**	.052	-.08	-.27**	-.23**	-.03	.02	.31**	.60**	1		
13	SGlo	.54**	.36**	.68**	.07	-.07	-.27**	-.30	-.026	.015	.45**	.65**	.77**	1	
14	PGlo	.09	-.08	.01	-.11*	-.01	.38**	-.14**	.028	.034	.14**	.44**	-.12*	.08	1

** The correlation is statistically significant at the 0.01 level (two-tailed).

*The correlation is statistically significant at the 0.05 level (two-tailed). most of the variables are significantly correlated with happiness and with each other. This creates a ground for existence of relationship among the study variables.

4.3. Unit root test – augmented Dickey-Fuller test statistics

Unit root test shows the different level of significance of the study variables (see table 3). The variables happiness, social support, healthy life expectancy, freedom to make life choices, inflation, unemployment, government expenditure, globalization, social globalization and political globalization are significant at level. While the variables generosity, perception of corruption and economic globalization are significant at 1st difference. Different methods are used to take results of the panel data viz., pooled OLS, fixed effects and random effect. Firstly, we apply pooled OLS. In pooled OLS we apply Breuch Pagan LM test if the p-value of this test is less than 0.05 this means the problem of heteroscedasticity exists in the data. If the problem of heteroscedasticity exists in the data, it means pooled OLS cannot be applied. We move to random or fixed effect. we choose random or fixed effect methods through Hausman test. If the p-value of Hausman test is greater than 0.05, it means random effect

is more suitable than fixed effect. If the value of Hausman test is less than 0.05, it indicates fixed effect method is preferable. For the current study we applied Breusch Pagan LM test and found that the p-value is less the 5% indicating that POLS cannot be applied. So, we move towards random or fixed effects which are put in table 4. The decision about which effect is suitable for data the Hausman test was applied.

4.4. Results of Hausman for model 1

The Table 4 carries the results of Hausman test with view of the hypotheses given in methodology section. The results of Hausman test declared that fixed effect was suitable for our study.

Table 3. Unit root test Augmented Dickey-Fuller test statistics

HAPPI	Level	1st diff	Stationary level
HAPPI	-5.804450 (0.0000)	-28.0000 (0.0000)	1(0)
SS	-5.890220 (0.0000)	-20.76 (0.0000)	1(0)
HLE	-4.5454 (0.0002)	-24.72 (0.0000)	1(0)
FMLC	-6.7412 (0.0000)	-21.011 (0.0000)	1(0)
GEN	-6.869033 (0.5100)	-20.98 (0.0000)	1(1)
PC	-5.551692 (0.230)	-24.33 (0.0000)	1(1)
INF	-12.90799 (0.0000)	-14.45 (0.0001)	1(0)
UN	-4.234266 (0.0006)	-22.21 (0.0000)	1(0)
Gov	-5.315184 (0.0007)	-23.51 (0.0000)	1(0)
Exp	-4.109171 (0.0010)	-24.51 (0.0000)	1(0)
GLO	-3.993577 (0.1200)	-23.53 (0.0000)	1(1)
SoGLO	-3.956230 (0.0018)	-23.54 (0.0000)	1(0)
PoGLO	-4.716858 (0.0001)	-24.59 (0.0000)	1(0)

Source: Researcher's own calculation

Table 4. Results of Hausman test for model 1

Variable	(b) Fe	(B) Re	Coefficient (b-B) differences	S.E.
SS	2.58578	2.58578	0	0
HLE	-.0115689	-.0115689	0	0
FMLC	.0565277	.0565277	0	0
GEN	.2412224	.2412224	0	0
PC	-.3117137	-.3117137	0	0
Priv	-.0103617	-.0103617	0	0
Con				
INF	-.000625	-.000625	0	0
UN	-.0556381	-.0556381	0	0
Gov	.0294921	.0294921	0	0
Exp				
GLO	.0350062	.0350062	0	0

Source: Researcher's own calculations, Fe=Fixed effect, Re=Random effect and S. E=standard error

4.5. Results of fixed effect method (model 1)

Fixed effects Results showing determinants of happiness in selected Asian's countries (Period 2006-2023), and total Balanced Panel Observation are 540. This study distributes the determinants of happiness in two groups i.e., Economic and Social. The Table 5 indicates that the only social factor, the social support, appeared as the strongest, among the list of significant factors of happiness, exhibited in Table 5 to affect happiness in selected Asian countries. The value of its coefficient is (2.63; $p < 0.01$), which means one unit increase in social support increases the level of happiness by 2.63 units.

Table 5. Model 1: Fixed effects Results showing determinants of happiness in selected Asian's countries (Period 2006-2023)

Variable	Coefficient	S.E.	t-test	Prob.
SS	2.632846	.3032448	8.68	0.000
HLE	-.0159183	.0119812	-1.33	0.185
FMLC	.0220806	.1985912	0.11	0.912
GEN	.2420592	.1648577	1.47	0.143
PC	-.2571663	.1684607	-1.53	0.128
Priv	-.0104791	.0020782	-5.04	0.000
CON	-.0006594	.0001378	-4.79	0.000
INF	-.0591117	.0110417	-5.35	0.000
UN	.0254241	.0090878	2.80	0.005
Gov	.0446813	.0080582	5.54	0.000
Exp				
GLO	2.525736	.7639901	3.31	0.001
Cons	0.5857			

Source: Researcher's own calculations

The coefficient value of private consumption is negative and significant (-0.010; $p < 0.01$), which means 1% increase in private consumption will decrease the level of happiness by -0.010 units. The coefficient value of variable inflation is negative and significant (-0.0006; $p < 0.01$) which means one percent increase in inflation will decrease the level of happiness by -0.0006 units. The coefficient value of variable unemployment is negative and significant (-0.059; $p < 0.01$) which means 1% increase in unemployment will decrease the level of happiness by -0.059 units. The coefficient value of variable government expenditure is positive and significant (0.025; $p < 0.01$) which means 1% increase in government expenditure will increase the level of happiness by

0.025 units. The coefficient value of variable globalization is positive and significant (0.0446; $p < 0.01$) which means 1 unit increase in globalization will increase the level of happiness by 0.0446 units. The social variables viz., healthy life expectancy, freedom to make life choices, generosity and perception of corruption came out to be insignificant to affect happiness.

4.6. Results of Hausman for model 2

The Table 6 carries the results of Hausman test with view of the hypotheses given in methodology section. The results of Hausman test declared that fixed effect was suitable for model 2 same as model 1.

4.7. Results of fixed effect method (model 2)

The Table 7 indicates that the only social factor that appeared to affect happiness in selected Asian countries is social support. The strong coefficient (2.66; $p < 0.01$) means 1 unit increase in social support increases the level of happiness by 2.66 units. One of the economic variables that appeared to affect happiness in selected Asian countries is private consumption. The coefficient value of Private consumption is negative and significant (- 0.009; $p < 0.01$) which means 1% increase in private consumption will decrease the level of happiness by -0.009 units. The coefficient value of the variable inflation is negative and significant (- 0.0006; $p < 0.01$), which means one percent increase in inflation will decrease the level of happiness by -0.0006 units.

The value of the coefficient of unemployment is negative and significant (- 0.057($P < 0.01$) which means 1% increase in unemployment will decrease the level of happiness by -0.057 units. The coefficient value of the variable government expenditures is positive and significant (0.023; $p < 0.01$), which means 1% increase in government expenditures will increase the level of happiness by 0.023 units. The coefficient of variable economic globalization is positive and significant (0.0207; $p < 0.01$), which means 1 unit increase in economic globalization will increase the level of happiness by 0.0207 units. The value of coefficient of social globalization is positive and significant (0.0152; $p < 0.05$) which means 1 unit increase in social globalization will increase the level of happiness by 0.0152 units. The variables such as healthy life expectancy, freedom to make life choices, generosity, perception of corruption and political globalization appear to be insignificant to affect happiness.

In both the models, only one social factor: social support appeared to be a statistically significant positive determinant of happiness. Whereas, one economic factor: government expenditures appeared as a statistically significant positive determinant of happiness. Three economic factors (viz., inflation, unemployment and private consumption) appeared as statistically significant negative determinants of happiness. The results indicated that overall globalization (model-1) and, economic globalization and social globalization (model -2) had statistically significant positive impact on happiness. It was concluded that in the overall globalization index, the share of economic and social globalizations is more effective to make individuals happy than that of political globalization.

Table 6. Results of Hausman test for model 2

Variable	Coefficient			S.E.
	(b) Fe	(B) Re	(b-B) Diff.	
SS	2.590127	2.590127	0	0
HLE	-.0110962	-.0110962	0	0
FMLC	.079536	.079536	0	0
GEN	.2423919	.2423919	0	0
PC	-.3093044	-.3093044	0	0
CON	-.0101895	-.0101895	0	0
INF	-.0006244	-.0006244	0	0
UN	-.0553717	-.0553717	0	0
GovExp	.0288902	.0288902	0	0
EoGLO	.013714	.013714	0	0
SoGLO	.0113933	.0113933	0	0
PoGLO	.0096967	.0096967	0	0

Source: Researcher's own calculation, Fe=Fixed effect, Re=Random effect and S.E.=standard error

Table 7. Model 2: Fixed effects Results showing determinants of happiness in selected Asian's countries (2006-2023).

Variable	Coefficient	S.E.	t-test	Pro
SS	2.6674	.3043	8.76	0.000
HLE	-0.0105	.0128	-0.82	0.411
FMLC	0.0468	.1998	0.23	0.815
GEN	0.2538	.1650	1.54	0.125
PC	-0.2860	.1694	-1.69	0.092
Pri CON	-0.0099	.0021	-4.70	0.000
INF	-0.0006	.0001	-4.87	0.000
UN	-0.0578	.0111	-5.21	0.000
Go Exp	0.0234	.0091	2.55	0.011
EoGLO	0.0207	.0048	4.29	0.000
SoGLO	0.0152	.0060	2.53	0.012
PoGLO	0.0090	.0056	1.60	0.110
Cons	2.1658	.8182	2.65	0.008
R-sq	0.5740			

5. Discussion

As the determining factor of happiness in both the models are the same except the factor overall globalization and economic and social globalization, so this study discusses the results of the two models' side by side. The variable social support appeared as significant factor that impacted happiness in selected countries. The results are in line with Yilmaz and Tag (2016), and Strobic et al (2018) who found positive and significant correlation between social support and happiness. Kasmaoui and Bourhaba (2020) also contend that there existed significant positive association between social support and happiness. Moreover, these results are also consistent with Dennison (2022) as he also identified a positive and significant link between social support and happiness. Private consumption negatively impacts happiness in both the models. The results are consistent with wang et al (2015) that total consumption has a positive and significant relationship with happiness. Likewise, Wang et al (2019) discussed that total consumption has a negative and significant relationship with happiness.

Inflation had negative and significant impact on happiness in both the models. The results are in line with Noori and Zadeh (2013) that there is a negative and significant relationship between inflation and happiness. Similarly, Samreen and Majeed (2019) found a negative relationship between inflation and happiness. Furthermore, Afia (2019) assessed a negative but significant relationship between inflation and happiness.

Unemployment had negative and significant impact happiness. Our results are similar to Lin et al. (2016) who discovered that unemployment has a negative impact on happiness levels. Likewise, Blanchflower (2007) postulates that unemployment has a significantly and negatively linked with happiness.

Government expenditure has positive and significant impact on happiness. The results are in accordance with Noori and Asgari Zadeh (2013) who posited strong and positive correlation between government spending and happiness. Similarly, Yilmaz and Tag (2016) found positive correlation between government spending and happiness. Moreover, Sasmaz and Sakar (2020) identified a significant and positive association between government spending and happiness.

Globalization has positive and significant impact on happiness. These results are in line with Zohal and Hessami (2009), they found a positive and significant relationship between globalization and happiness in their study. Likewise, these results are also consistent with Zohal and Hessami (2009), they conducted study and revealed that there is positive and significant relationship between economic globalization and happiness. Correspondingly, Kumari et al (2021) found a positive and significant relationship between economic globalization and happiness.

6. Conclusion

The objective of the present study was to investigate the factors that contribute to happiness in selected 30 Asian countries (2006-2023). Two models were constructed, wherein each model used happiness as a dependent variable. The variable globalization was represented by overall globalization (model-1) with three sub-indices viz., economic globalization, social globalization, and political globalization. It was concluded that social support, government expenditures increase happiness while inflation, unemployment and private consumption curtail the level of happiness. The results indicate that overall globalization (model-1) and, economic globalization and social globalization (model-2) determine happiness. It is deducted from the comparison of the two models that in the overall globalization index, the share of economic and social globalization is more effective to make individuals happy than that of political globalization.

With reference to the socio-economic categorization of determinants of happiness, two economic factors viz., government expenditures and globalization (overall and economic and social) increased happiness while three economic factors viz., private consumption, unemployment and inflation decreased happiness. The results of model 1 and 2 indicate that the overall globalization, economic and social globalization make individuals happy. The value of coefficient of the economic globalization is higher than that social globalization, which means that economic globalization cast more tangible impact on the happiness of the peoples in selected countries than that of social globalization. Whereas, the political globalization had non-significant impact on happiness in these countries. Moreover, only social support appeared to increase happiness. Other remaining economic and social variables viz., generosity, freedom to make life choices,

perception of corruption and healthy life expectancy did not appear to significantly impact happiness in selected developing countries.

Recommendation

The stakeholders of Asian countries should focus on creating an environment to increase social support and should extend efforts to accelerate social and economic globalization. Further, welfare projects should be enhanced to make people happy via bringing down inflation and unemployment rates and respective government need to enhance financial resources and assistance for community centers and local establishment that offer social services. Educational opportunities and skill-building programs should be enhanced to increase the productivity of workforce and job opportunities, ultimately resulting in increased earnings and economic growth.

To maintain both price level and economic stability, it is essential for the policy makers to establish an effective monetary policy framework. Further, stakeholders need to invest in educational and vocational training programs in line with need of labor market.

To share the economic burden of the citizens, governments need to focus on improving public services like healthcare, education and public transportation. It is necessary to make a policy for enhancing social safety nets which ensures economic stability for individuals and families, decreasing the adverse effects of job displacement and income fluctuations.

Policy makers of the developing countries need to make a strategy for increasing social globalization. It needs to encourage friendships, tolerance and partnerships among different cultural groups. Governments should also introduce different language programs in institutions to improve the cross-cultural communication and understanding.

Limitations

Although this study provides very useful information by using data of selected Asian countries but data of some variables of some countries were missing, which can cause the results to be biased. The future research can overcome this problem by adding more countries of bigger block.

Authorship contribution statement

Syeda Azra Batool: Conceptualization, Methodology, Review & Editing, Validation and Supervision. Maria Pervaiz: Conceptualization, Methodology, Resources, Validation. Syeda Shahida Batool: Methodology, Resources, Data Analysis, Review & editing. Ayesha Ashraf and Arshad Jamshaid: Data Analysis, Review & editing.

Conflicts of interest

The authors of this manuscript declare no conflicts of interest.

Data availability

Data is available upon request.

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