

HAPPINESS EQUALITY INDEX EUROPE 2015



THE HAPPINESS RESEARCH INSTITUTE

FOREWORD

Inequality causes crime, social unrest and even armed conflicts.

Thanks to the idea of the Italian statistician Corrado Gini in 1912, we have been able to measure, analyze and discuss the implications of economic inequality for more than a century.

However, we must move beyond addressing inequality from a purely economic perspective. The aim of this index is not to belittle the importance of economic equality, but to shed light on an overlooked dimension of inequality. Well-being.

Looking beyond GDP, countries already are taking steps to measure their success as a society – not only from how much the economy grows – but also from how much people’s lives are improved, not only from standard of living, but from quality of life.

Usually, the Nordic countries, Switzerland and the Netherlands top the happiness rankings based on national averages. But one thing is the happiness *average*, another is how happiness is *distributed*.

With this index – the first of its kind - we would like to introduce the concept of well-being equality.

We hope to improve the debate about equality and increase our understanding of the consequences of inequality in society.



MEIK WIKING
CEO
THE HAPPINESS RESEARCH INSTITUTE



“GIVEN THE TANGIBLE BENEFITS TO INDIVIDUALS
AND SOCIETIES OF MODERATELY HIGH WELL-BEING,
IT IS EVER MORE URGENT THAT WE ACT TO
EFFECTIVELY PUT WELL-BEING AT THE HEART OF
POLICY AND GENERATE THE CONDITIONS THAT
ALLOW EVERYONE TO FLOURISH.”
EARTH INSTITUTE, WORLD HAPPINESS REPORT 2013



HAPPINESS AS A POLITICAL GOAL

The subject of well-being has risen high up the international agenda in recent years. In 2011, the UN adopted a resolution calling for all countries to increase the happiness of their inhabitants and, the following year, the first UN conference on happiness was held and the first World Happiness Report was published. Today, leaders from around the world are expressing an interest in why some societies are happier than others, and what we can learn from them about how to organize our societies better.

In the USA, the National Academy of Sciences established a panel to examine how happiness measurements can be used in the development of policy. Meanwhile, countries such as the Netherlands, Germany, France and Japan have also taken steps towards incorporating quality of life as a parameter for the measurement of progress. In fact, these ideas are nothing new. Since the beginning of the 1970s, happiness has been used as a measurement for Bhutan's development.

From a similar perspective, Robert Kennedy pointed out that "the gross national product does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages; the intelligence of our public debate or the integrity of our public officials...it measures everything, in short, except that which makes life worthwhile." And Kennedy's words are echoing today.

**"IMPROVING THE QUALITY OF OUR LIVES SHOULD BE THE
ULTIMATE TARGET OF PUBLIC POLICIES."
ÁNGEL GURRÍA, SECRETARY-GENERAL, OECD**



MEASURING WHAT MATTERS

Organizations like the UN and the EU are looking for new ways of measuring progress in society, which traditionally has been determined by gross domestic product. Whereas economically prosperous societies are generally happier than less affluent ones, GDP is not the only significant factor that influences people's overall happiness. The European Commission first measured satisfaction with life among Europeans as long ago as 1973. However, we see an explosion in surveys that are trying to capture life satisfaction and happiness. For instance, the OECD has begun to measure satisfaction with life among the populations of its member countries in the Better Life Index. The vast number of data means that, today, sociologists, economists, psychologists and other scientists can compare millions of responses from people all over the world.

HAPPINESS EQUALITY INDEX

EUROPE 2015

RANK	COUNTRY	STANDARD DEVIATION
1	Finland	1.35
2	Netherlands	1.42
3	Norway	1.46
4	Denmark	1.47
5	Iceland	1.48
6	Switzerland	1.50
7	Belgium	1.53
8	Sweden	1.56
9	France	1.76
10	Germany	1.81
11	Israel	1.84
12	Slovakia	1.86
13	Spain	1.88
	Average	1.92
14	United Kingdom	1.94
15	Portugal	1.95
16	Ireland	1.97
16	Italy	1.97
18	Slovenia	1.98
19	Lithuania	2.01
20	Poland	2.02
21	Estonia	2.04
22	Czech Republic	2.05
23	Cyprus	2.08
24	Russian Federation	2.15
25	Hungary	2.25
26	Ukraine	2.29
27	Kosovo	2.47
28	Bulgaria	2.69
29	Albania	2.94

Source: European Social Survey Round 6 ed. 2.1

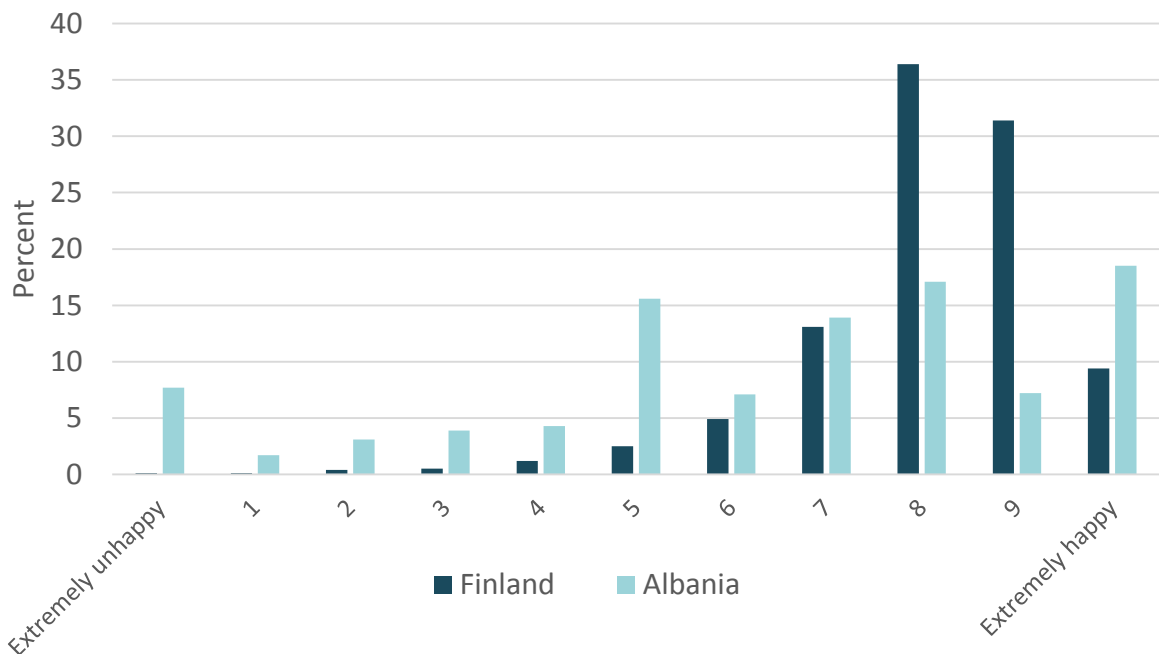
HOW TO INTERPRET THE INDEX

The European Happiness Equality Index is based on calculations of the standard deviation of the subjective well-being dimension of the latest European Social Survey (round 6). It shows that **the most equal country in Europe when it comes happiness is Finland** with a standard deviation of 1.35, followed by the Netherlands, Norway, Denmark and Iceland. The most unequal countries in Europe are Albania, Bulgaria, Kosovo, Ukraine, and Hungary in terms of well-being.

A low standard deviation indicates that the data points tend to be very close to the mean of the set, while a high standard deviation indicates that the data points are spread out over a wider range of values. This is reflected in the diagram below. Finland has a low standard deviation, which means that the answers to the question “taking all things together, how happy would you say you were are?”, is concentrated around the national average of 8.0.

In Albania, the national average is lower (6.4) and the answers are much wider spread. One in four Albanians even choose one of the two ends of the spectrum (extremely unhappy/extremely happy) when evaluating their own life, indicating a large quality of life gap.

”TAKING ALL THINGS TOGETHER, HOW HAPPY WOULD YOU SAY YOU ARE?”



INEQUALITY HAS BEEN REDUCED IN EUROPE

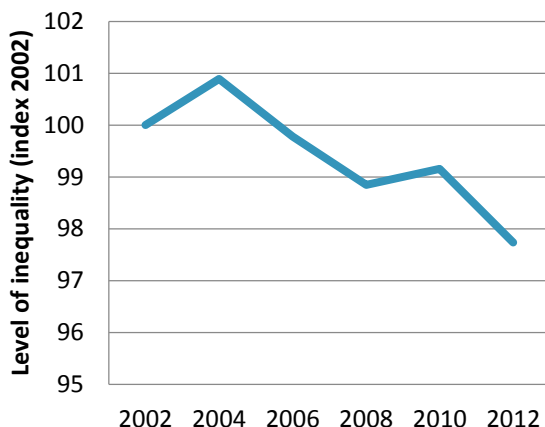
13 countries have been included in every round of the European Social Survey since 2002 and since then inequality has dropped 2.3 percent on average.

However, it is important to note that this may not reflect the broader tendency among the 29 countries which are now included in the survey. We will be able to monitor the progress more accurately in the years to come.

Furthermore, the average covers large national differences. Poland has achieved reducing inequality by more than 10 percent between 2002 and 2012, but in the other end of the spectrum, inequality in Ireland has increased by 11 percent in the same period. The gap between Ireland and Poland has thus been reduced severely with Ireland being more unequal than Poland in the latest round of the European Social Survey.

It is also striking that Denmark and Switzerland, the only two countries which have ranked 1st in the World Happiness Report (and thus enjoy high national averages), have not seen a decrease in inequality. On the contrary, the numbers show a small increase even though the changes are too small to be statistically significant (also the case for the UK).

CHANGES IN INEQUALITY 2002-2012

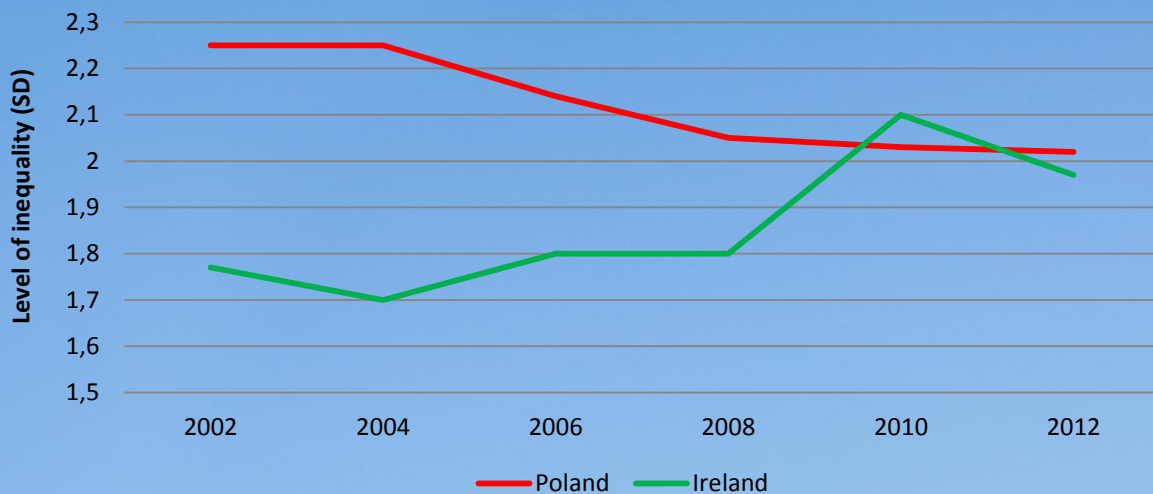


Using the year 2002 as a benchmark, the level of inequality has been reduced by 2.3 percent on average for the 13 countries included in every round of the European Social Survey since 2002.

CHANGES IN INEQUALITY (%)	COUNTRY
-16.0	Israel
-10.2	Poland
-7.5	Finland
-7.4	France
-6.7	Germany
-6.1	Belgium
-5.7	Italy
-3.4	Hungary
-2.3	Average
2.0	Switzerland
3.5	Denmark
4.3	United Kingdom
11.3	Ireland

Source: European Social Survey Round 1 ed. 6.4 - Round 6 ed. 2.1

CHANGES IN HAPPINESS INEQUALITY IRELAND AND POLAND 2002-2012



Source: European Social Survey Round 1 ed. 6.4 - Round 6 ed. 2.1



EXPANDING THE NOTION OF HEALTH TO INCLUDE MENTAL HEALTH

The UN World Health Organization considers health as a state of complete physical, mental and social well-being, and we are currently experiencing a greater focus on the importance of mental health. This is due, in part, to staggering levels of mental illnesses globally. “Health” ought to be interpreted in a wider sense of the word, beyond mere “absence of disease” and more than just *physical* health.

According to the World Happiness Report 2013, 400 million people suffer from depression and nearly 300 million people suffer anxiety. It is obvious that these factors take an enormous toll on individuals and their families. At the same time, it leads to mental health problems and high amounts of public spending.

A public focus on happiness and quality of life is part of this widened concept of health. Instead of solely focusing on physical health, the World Happiness Report states there is a need for "schools and workplaces to be more aware of mental health and to try and improve happiness levels." These years, there is a growing awareness of inequality in health, and we must remember to focus on inequality in mental health as well.

“HAPPINESS IS NEITHER A FRIVOLITY NOR A LUXURY. IT IS A DEEP-SEATED YEARNING SHARED BY ALL MEMBERS OF THE HUMAN FAMILIY. IT SHOULD BE DENIED TO NO ONE AND AVAILABLE TO ALL.”

BAN KI-MOON, SECRETARY-GENERAL, THE UNITED NATIONS

ARE EQUAL SOCIETIES HAPPIER?

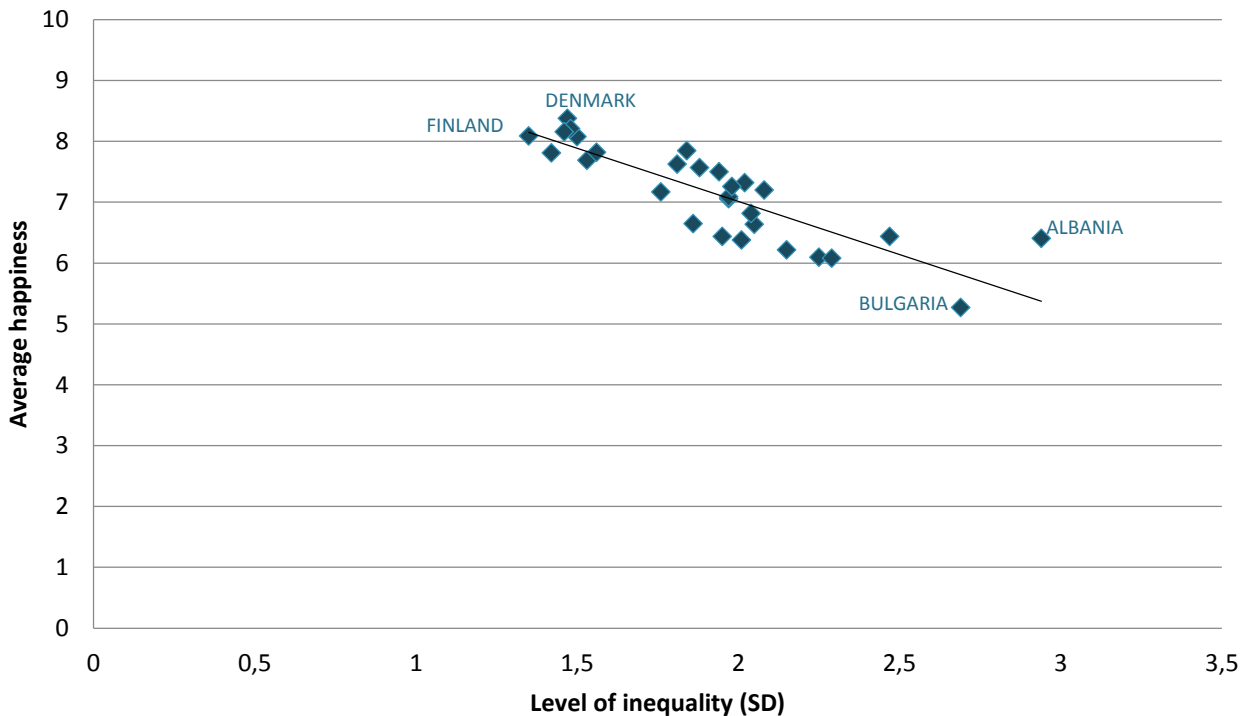
Those familiar with classic happiness rankings such as the World Happiness Report, may already have noticed the countries which often top those rankings – such as the Nordic countries, Switzerland and the Netherlands – are also found at the top of the Happiness Equality Index. Therefore, it is only natural to ponder: Are equal societies happier?

We can shed some light on that question by comparing the national happiness *averages* with the national happiness *equality* levels as we have done below, where each dot represents the score of a country on these two dimensions.

We find a correlation between the two. The less equal a nation is – the less happy. Albania and Bulgaria experience low levels of equality and low happiness averages, while Denmark and Finland are in the top in terms of equality and average levels. See below.

However, there is a need for exploring this link further, as correlation does not prove causation. Also, the direction of the potential causation should be explored. Does equality lead to happiness or does happiness lead to equality?

AVERAGE HAPPINESS LEVEL & HAPPINESS EQUALITY LEVEL





THE GOOD SOCIETY AND EQUALITY

We need to develop and refine this index further in the coming years as many questions remain unanswered. But it has been an important first attempt to address the need for awareness about an overlooked dimension of inequality.

Not only because ‘more equal societies almost always do better’ as scholars have pointed out. But because when it comes to well-being we need to look beyond averages. Often happiness rankings are based on national averages of answers to questions like “how satisfied are you with your life as a whole – on a scale from 1 to 10?”

So from a ranking point of view, it would make equal sense to design policies that increase the happiness of one person from a 9 to a 10, as to design policies that increase the happiness of one person from 1 to 2. However, we believe that we have a moral obligation to direct our focus to where well-being is most scarce.

As Gandhi pointed out, **the true measure of any society can be found in how it treats its most vulnerable members.**

THE HAPPINESS RESEARCH INSTITUTE

WHO WE ARE

The Happiness Research Institute is an independent think tank focusing on well-being, happiness and quality of life.

Our mission is to inform decision makers of the causes and effects of human happiness, make subjective well-being part of the public policy debate, and improve the quality of life for citizens across the world.

WHAT WE DO

We explore why some countries, cities, and people are happier than others and what drives well-being and quality of life.

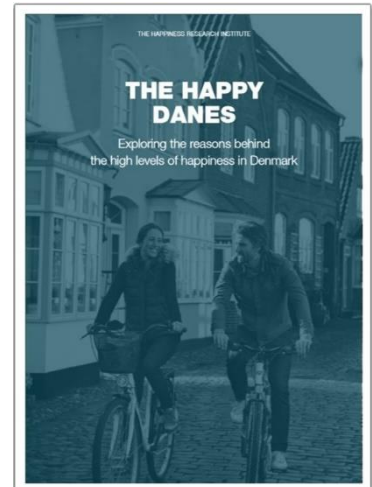
We partner with cities, governments, organizations and foundations to develop customized research, tools and recommendations needed to improve quality of life.

Want to learn more? Go to www.happinessresearchinstitute.com

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THE HAPPY DANES

Denmark is often named the world's happiest country. But what are the reasons for the high levels of happiness in Denmark? For the first time, the reasons are explained in this comprehensive report. "The Happy Danes – Exploring the reasons behind the high levels of happiness in Denmark" explains how a strong civil society, a good work-life balance, and a high level of social security drives happiness.



SUSTAINABLE HAPPINESS

The tools of happiness research have the potential to recast the debate between economic growth and environmental protection. This report explores how sustainable behaviours influence our level of happiness, why there is a link between sustainable behaviours and well-being, and how happiness research may contribute to better societies, a more sustainable future, and an improvement of our lives?



REPORTS ARE FREE FOR DOWNLOAD .



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