

Income Equity and Subjective Well-Being - With Distinctive Reference to the COVID-19 Pandemic: a review

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Abstract

Income inequality has increased more in the Nordic countries than in most OECD countries since the early 1990's although the starting point was exceptionally low with inequality remaining well below the OECD average according to the NEPR 2018. Capital incomes have emerged as a rather prominent factor contributing to rising inequality as two-thirds of dividends go to the top one per-cent, weakening redistribution and contributing to the trend. Despite this, in the World Happiness Report 2020, the Nordic countries constantly rank among the happiest in the world. The Easterlin Paradox which illustrates the anomalous relationship between the economic growth and the level of personal happiness introduces the idea of income inequality being negatively correlated with average life satisfaction as an economy grows, refuting the popular prior that growth in material wealth leads to greater subjective well-being, this effect however completely disappears when controlled for GDP per capita in these countries.

This article utilizes social-psychological and self-reported measures of happiness to analyze the relationship between income inequality and well-being and examines the relative utility hypothesis to understand the influence of relative income positions on average life satisfaction. The study suggests disparate correlations between income and happiness, and puts forth explanations on changes in emotions such as altruism, envy, benevolence and trust and includes quantitative representations exploring equality measures not achieving the desired impact on well-being indicators. There is an attempt to analyze the impact of COVID-19 and its responsiveness to related subjective variables that supports measurement of happiness.

Keywords: Behavioral; Easterlin; Development; Happiness; Psychology

Introduction

Economics is to help life, and the purpose of life is to be happy. The study of happiness is fairly unaccustomed to economists although there is a rising fixation with the happiness index in recent years which emanates from growing dissatisfaction over traditionalist measures of subjective well-being and life satisfaction, including measures like GDP per capita.

It is natural for one to read numerous headlines calling happiness the new GDP, an issue which was comprehensively discussed in the 2017 World Government Summit held in Dubai. The Kingdom of Bhutan had introduced Gross National Happiness indicators in 2011, Japan had introduced its Cabinet Commission legislating for well-being in 2010 and administered its first Quality of Life survey in 2012 and three international surveys have already been conducted by The European Bank for Reconstruction and Development (EBRD) to assess well-being in 34 countries. Happiness measures have also been incorporated in education systems, The “Happy Education for All” policy was introduced by the Kingdom of Korea in 2013 and The Character and Citizenship syllabus of Singapore now includes Social and Emotional Learning as part of its curriculum (Bris 2017).

Thus, this growing importance of happiness in an economy raises questions concerning the extent to which GDP per capita can predict and portray happiness levels, the elasticity of happiness in different countries to changes in GDP and the socio-psychological factors that influence people’s happiness. This paper attempts to fetch answers to these questions and also hypothesise what both the developing and developed world can learn from the Nordic countries with reference to achieving high levels of happiness even amidst COVID-19.

The literature review is aimed at examining the relationship between income distribution and happiness by assessing the posited relationships between per capita incomes and well-being using social-psychological and self-reported measures of happiness, additionally evaluating the impact of the COVID-19 pandemic on measures of happiness and income equity.

Review of Literature

Cross-country studies have ultimately reported that on average, people in rich countries are happier than people in relatively poorer countries. Deaton (2008) utilizes evidence from the Gallup World Poll which surveyed national samples of adults in 132 countries to analyze the relationships between life and health satisfaction with national income, age and life expectancy to yield that subjective well-being is strongly related to per capita national incomes, reinforcing the popular prior that high-income countries have greater average life-satisfaction than low-income countries.

Frey and Stutzer (2002) examine the influence of per capita incomes on subjective well-being and arrive at the supposition that greater parity between the sexes, respect for human rights

and more developed democratic conditions than rising incomes itself account for the seemingly observed positive association between income and happiness. However, people in higher income brackets do have more opportunities, the greater ability to have their material desires met and enjoy a higher status in society in which case higher income yields higher utility, and conversely the poor are unhappy. The empirical studies of Veenhoven (1991) find a more robust and palpable relation between income and happiness at the lower end of the wage scale whilst some researchers like Argyle (1999) have observed an additional effect at higher income groups which may be delineated by psychological responses in the form of greed and envy resulting from high degrees of wealth.

It can often be misleading to construe higher incomes as an increase in happiness. At a point in time income varies proportionally with happiness both within and among nations, but overtime happiness does not trend upwards as income continues to grow (Easterlin 1974). This relation presented by Easterlin (1974) is acknowledged as paradoxical as it not only refutes a sizeable volume of scientific empirical data based on cross-sections of countries and within-country individual panel data but also rebuts the widely accepted contention that higher subjective well-being is positively associated with greater freedom of choice and increased material wealth (Clark & Senik, 2011).

The Easterlin Paradox was further examined (Oishi et al., 2011) using USA's - general social survey data from 1972 to 2008 and found that an even distribution of economic growth across a population reckons for greater happiness whilst economic growth concentrated among a small fragment of the nation's privileged fails to lead to greater life contentment as it is an exacerbation of persisting inequalities. This study evaluated the negative correlation between income inequality and happiness among lower-income respondents which is in fact explained by perceived unfairness and lack of trust, not by lower household income. According to this article, Americans trusted people less and perceived other people to be less fair in the years with more national income inequality than in the years with less national income inequality and the inverse relation between income inequality and happiness only held for respondents in lower-income brackets, not for higher-income respondents. Thus, a more equitable distribution of growth in national wealth may be a prerequisite to increasing nationwide happiness.

This conclusion is sustained by Nigel Tones (1985) who used Canadian survey data and social-psychological measures of Happiness and satisfaction to conduct an empirical test of the interdependent preferences/utilities model to find that the income share of the richest 10% of the population is negatively correlated with subjective well-being where individuals would rather see an increase in income inequality since a more balanced distribution of income would increase the income of the poor and consequently reduce the satisfaction of the envier whilst income inequality was negatively related to life satisfaction among the poorest 40% of the population which was regarded by Tones as a rather surprising observation given that it contrasted Lester Thurow (1971)'s view that people share an altruistic disinclination towards income inequality in their community.

In spite of extensive improvement in living standards China saw a plunge in happiness over the 1990-2000 decade (Delhey 2008). China progressively becoming skewed at the higher-income bracket resulted in deteriorating financial positions of most Chinese when coupled with average national income. Finland, the happiest country of 2021 as per the World Happiness Report 2021, saw its richest decile group's incomes rising more rapidly than the rest of the income groups whilst the two poorest groups experienced stagnant income growth in the late 1990's, indicating an increase in relative inequality as suggested by the series of Gini coefficients. The increase in inequality during this period of rapidly changing capital markets and economic conditions was also, in part, driven by property income which is attributed to many factors including increased centralization of wealth holdings and increased returns to capital (Jäntti 2003).

By testing anomie, political dissatisfaction and relative deprivation which are three explanations concentrating on the mental repercussions of rapid social changes Delhey (2008)'s study found that rising relative deprivation turned people into "frustrated achievers", that is individuals who are dissatisfied with their relative income position to the "winners" although their absolute values of wealth or welfare has increased which consequently only increases financial dissatisfaction given that it is observed that economic agents tend to assess the options available to them on the basis of relative values of wealth rather than on absolute values, indicating that utility is relative in nature (Caporale 2007).

This eventually progresses to become one of the strongest depressors of happiness which also serves to prove that income growth at lower living standards does not always lead to gains (Delhey 2008). Clark (2011) explores the relative utility hypothesis and proposes that people think in partial equilibrium terms (the absolute income of the individual increases/the individual becomes richer) rather than general equilibrium terms (everyone receives a higher income/everyone becomes richer), explaining why people chase after higher incomes despite being displeased with their relative income positions.

The effects of social comparison posited by the relative utility hypothesis however disappears when controlled for or limited to countries in Eastern Europe where relative income is positively related to subjective well-being and produces a 'tunnel effect'(Caporale, 2007).

Contrastingly, this study observed that rising inequality may potentially raise the expectations of the poor that in the future they are to enjoy higher incomes (i.e. the tunnel effect) in which case rapid growth at the initial stages of reform which causes higher income inequality is more socially and politically acceptable. The relation between income growth and life satisfaction over time is connected with the nature of growth itself and the psychological response/behavior of individuals. Individual happiness increases with greater purchasing power but man is a social animal. This rouses relative concerns (income comparisons), restricting the absolute effect of greater wealth (Clark & Senik, 2011).

Stevenson and Wolfers (2008) hypothesize that the relationship between life satisfaction and income within countries (that is, comparing the well-being of the nation's rich and poor

members) is analogous to that seen among countries, this is in turn similar to that seen in the time-series relationship which compares the happiness of countries at distinct points in time as it becomes richer or poorer. However, the time series part of the analysis is postulated as being suggestive. Clark and Senik (2011) provide an explanation as to why an increase in GDP does not necessarily lead to greater happiness in time-series data by propounding that growth is a zero-sum game where the richer are happier and the poor are consequently less happy (one group's gain is equivalent to another group's loss), both within and across countries where rising incomes for all may not affect the relative income positions.

Growth also changes ambitions and the environment and if both the environment and ambitions increase at a similar rate, subjective well-being is unlikely to increase given that expectations and outcomes are positively related. Individuals will become keener to grow richer but doing so will not result in greater happiness as their expectations start to gain on their outcomes which Clark and Senik (2011) and Rayo and Becker (2007) state is like an illusion, as also suggested by Easterlin.

However, it is important to acknowledge that as the study of happiness became increasingly empirical and quantitative, circumscribed definitions of welfare and utility prevailed which raises questions on the reliability of the survey data available to economists given that answers to survey questions are heavily dependent on and influenced by the respondents' mood and disposition at the time. Thus, even trifling changes in the phrasing of the questions can result in large biases in results (Graham 2005). Clark (2011) emphasises the futility of this debate given that every researcher neither investigates the same countries nor do they assess the same happiness indicators and inequality measures. Thus, unless we have access to synchronised panel datasets over an extensive range of countries and standardised income information, the debate will continue to extend.

Greyling et al.(2020) draw on survey data from the Gross Happiness Index to determine the relationship between happiness levels and the relevant treatment covariate, lockdown regulations in South Africa, a country suffering from an economic crisis yet with uncompromising lockdown measures. The study found a negative relation and justifies that the recognised macroeconomic determinants of happiness were not as influential on trends in subjective well-being as other factors that were directly related to the repercussions of the lockdown, categorised as social capital issues such as concerns over education, lack of mobility and economic issues such as job insecurity, pay cuts in the case of extreme country cases. It also suggests a U-shaped relationship between the number of COVID-19 cases and happiness; the size of the effect however is imperceptible.

Another study of theirs utilises Difference-in-Difference and Least Squares Dummy Variable estimation technique to ascertain the causal effect of the lockdown and the diversity in the effect size of lockdown across the countries of New Zealand, South Africa and Australia to propound that despite the type or span of the lockdown, it unquestionably causes a decline in happiness which supports their previously stated argument that the negative effect on happiness is exacerbated in countries with more stringent Lockdown regulations.

Although there is a prevailing yet reasonable conception that the pandemic has exacerbated income inequality, with per capita incomes decreasing more in poor than in rich countries this is not completely true (Deaton 2021). The study stated that poor countries had experienced fewer deaths per head despite the better preparedness, more competent democracies, higher incomes and qualitative healthcare systems of richer countries. The study consequently proposed that countries with higher mortality rates experienced larger decreases in income whilst fewer deaths had resulted in higher incomes suggesting that there was no trade-off between lives and income. This contrasts popular beliefs given that higher-income countries saw a greater fall in per capita incomes.

Similarly, Clark, d'Ambrosio and Lepinteur (2021) use data from the COME-HERE survey to reinforce this sentiment that the poor have benefitted by examining how government compensation schemes to address the adverse/unforeseen impacts on household incomes caused by the pandemic response efforts (lockdowns, curfews) such as furlough payments and direct support has in fact caused a fall in relative and absolute income inequality in equalised disposable household income within countries in the European Union with the exception of France where relative inequality increased slightly due to wider differences in income at the top of the wage scale.

Deaton (2021) however notes that international income inequality decreased in cross-country comparisons but increased when weighted by population because the decreasing incomes in India was not countervailed by China which is no longer a poor country. Elgar, Stefaniak and Wohl (2020) used country data on income inequality and four aspects of social capital (civic responsibility, confidence in public institutions, trust and group affiliations) associated with data on COVID-19 deaths in 84 countries to find that mortality is positively related to income inequality, trust and group affiliations but negatively related to civic engagement and confidence in public institutions when cross-national differences in wealth, population size and age were controlled. Additionally, the study also states that income inequality and social capital are a function that also influences differences in vaccination rates across countries.

The literature gives us a rough picture of the relationship between Income and happiness which paves the way for our analysis that compares the responsiveness of changes in happiness to changes in GDP per capita as an attempt to ascertain the nature and numerical strength of this relationship in the developed and developing world.

GEH - GDP per capita Elasticity of Happiness

Countries	YEAR	PERCENTAGE CHANGE IN HAPPINESS	PERCENTAGE CHANGE IN GDP	GDP per capita ELASTICITY of HAPPINESS
Denmark	2015	-0.013285506	2.646030804	-0.005020919
	2016	-0.053149083	5.389470218	-0.009861653
	2017	0.438713108	6.923161043	0.063368901
	2018	0.595632032	-2.318561446	-0.256897238
	2019	0.605263158	-2.877397734	-0.210350884
Norway	2015	-0.319064079	-5.240148949	0.060888361
	2016	0.520138704	7.149629048	0.072750446
	2017	0.756269073	8.262236454	0.091533216
	2018	-0.52673163	-7.726042635	0.068176123
	2019	-0.873709293	-9.852381933	0.088680006
Finland	2015	0.094517958	2.336302463	0.040456217
	2016	0.755429651	5.82944381	0.129588632
	2017	2.182353729	7.972564272	0.273732974
	2018	1.795073375	-2.494639311	-0.719572312
	2019	0.514866778	-0.659638368	-0.780528852

Sweden	2015	-0.991309071	0.814193601	-1.217534834
	2016	-0.096008778	3.514566298	-0.02731739
	2017	0.411861614	1.482668919	0.27778394
	2018	0.396499863	-5.448051313	-0.072778291
	2019	0.136184121	8.495550326	0.016030053
Iceland	2015	-0.793545827	16.9361106	-0.046855258
	2016	0.039994667	16.01537741	0.002497267
	2017	-0.119936034	2.324692396	-0.051592217
	2018	-0.013342228	-8.255416363	0.001616179
	2019	0.133440085	-10.86989092	-0.01227612
Brazil	2015	-0.443935271	-1.178806444	0.376597255
	2016	-4.559838895	13.95265267	-0.326808027
	2017	-3.255463451	-9.311069892	0.349633661
	2018	-1.85387132	-3.155568739	0.587491978
	2019	1.206349206	19.30450065	0.062490568
Russia	2015	2.44926522	-6.52968267	-0.375097129
	2016	1.827185792	23.15282197	0.078918492

	2017	-2.565822573	6.067723661	-0.422864111
	2018	-2.788296041	1.883682869	-1.480236449
	2019	-1.805949008	-13.9188606	0.129748337
India	2015	-3.526834611	7.9066523	-0.446059151
	2016	-2.0208901	14.37699127	-0.140564188
	2017	-2.896871379	1.221709182	-2.371162812
	2018	-4.176610979	4.67330721	-0.893716332
	2019	-11.00871731	207.725281	-0.052996521
China	2015	2.042801556	1.004098208	2.0344639
	2016	0.533841754	8.97772934	0.059462892
	2017	-0.512042481	12.35708558	-0.041437156
	2018	-1.048417842	2.856661735	-0.367008046
	2019	-1.290695434	15.17607253	-0.085048054
South Africa	2015	-3.942266265	-8.0512605	0.489645847
	2016	8.297824624	16.30140416	0.509025146
	2017	-2.174363222	3.938863233	-0.552028109
	2018	-0.042337003	-5.84606599	0.007241965
	2019	1.94832698	-21.08924584	-0.092384858

Togo	2015	16.34378302	4.652221891	3.513113391
	2016	5.812897366	4.790198671	1.213498179
	2017	14.42060086	8.6057915	1.675685596
	2018	2.150537634	-0.100004412	-21.50442758
	2019	2.496940024	1.617865713	1.543354312
Burundi	2015	-0.034411562	-7.645229913	0.00450105
	2016	0	3.83075233	0
	2017	0	-7.252559727	0
	2018	29.94836489	-3.863845446	-7.750922056
	2019	0	-2.932057416	0
Benin	2015	4.311377246	0.974182764	4.425634907
	2016	4.965556831	4.534208905	1.095131904
	2017	13.23489199	9.171293078	1.443078078
	2018	17.9183772	-1.724652047	-10.38956074
	2019	6.819578128	-5.693643752	-1.197752867
** Data was collected from World happiness report and World bank				

We can infer that, on a broad level Brazil observes a positive correlation between the variables. However, there is an outlier to be accounted for in 2016 because it posits the only inverse relationship given that a 13.95265267% increase in GDP was met with a 4.559838895% decrease in happiness. However, in understanding this outlier it is important

to note that although the Easterlin Paradox is established in Brazil, it is not as relevant as other factors such as an individual's marital and employment status (happiness is thus relatively inelastic to GDP fluctuations). This is of significance as unemployment rose to 11.6% in 2016 despite the jump in GDP and the number of marriage registers dropped annually starting 2016 which contributes to the negative happiness figure in this year as per Ribeiro and Marinho (2016).

It is also worth looking at the percentage change in happiness as it follows a steady upward trend starting 2016 despite there being fluctuations in the GDP. This emphasises that GDP is one of many influences on happiness and might go some extent to illustrate Brazil as an emerging market given that it is still transitioning from a developing to a developed economy.

China observes an inverse relationship between happiness and GDP for a majority of the years recorded although happiness is relatively unresponsive to changes in GDP as seen in 2019 when happiness fell by 1.290695434% whilst GDP has increased by 15.17607253% (analogous to 2017 and 2016). The percentage change in happiness in China tends to follow a downward trend despite the country becoming richer and more powerful every year, indicating a supposed disparity between the country's gains in fortune and individual contentment.

To explain this incongruity, it must be noted that China's average happiness does not compare with or is influenced by the usual indicators of happiness including GDP, perceptions of corruption, pollution, civil liberties or even income inequality in most recorded years. In fact, Easterlin himself had concluded two other factors that contribute more significantly to China's deteriorating happiness levels which are unemployment and a relatively weak social safety net or welfare system (especially in terms of its unemployment insurance programs which ultimately favours the urban white collar worker minority) as opposed to other developed nations.

India's case is notable as happiness has fallen continuously from 2015 through 2019 despite a constant steady growth in GDP in all five years, postulating a clear negative correlation between these variables. In 2019 (when it had observed a 207.725281% increase in income but a 11.00871731% drop in happiness) its happiness rank plunged to the 140th position from the 133rd position in 2018. However, prior to examining the reasons for this negative correlation it must be noted that happiness is relatively inelastic to changes in GDP and that this decline in happiness is more responsive to the consequences of rapid urbanisation, congestion, environmental pollution, lack of social support, unaffordable healthcare, insecurities concerning food and water safety, high perceptions of corruption and more prominently job insecurity/Poor working conditions given that 76% of Indians reported dissatisfaction over limited and poor job opportunities in 2018 as per a survey conducted by the Pew Research Centre.

Russia's happiness began declining in 2015 following a sharp increase in 2014 prompted by the annexation of Crimea. This deterioration in happiness was only exacerbated in 2018-19 although happiness had improved in percentage terms given that in 2019 average happiness in Russia was at its 6 year lowest (happiness dipped by 1.805949008% whilst GDP also dropped by 13.9188606%). This was suggested to be caused by either a "sense of injustice to oneself" or "no observable life improvement" as stated by Russian scientist, Andrey Milekhin.

Although, happiness in Russia is relatively inelastic to changes in happiness it is still somewhat responsive as the subjective well-being of Russians is cooperatively affected by national and individual income as personal and nationwide stability in economic fortunes enhances overall happiness by not raising consumer incomes or standards of living but by establishing a more appreciable mood of optimism as per Zavisca and Hout (2005) and this assertion is supported by the years to follow. Another more prominent factor adversely affecting their happiness is political instability in the country as a strong correlation is observed between political attitudes and life satisfaction in Russia throughout the years.

In South Africa a positive correlation between these variables is observed in the majority of the years although there is an inverse relationship between happiness and GDP fluctuations in 2017 and 2019. GDP increased 3.938863233% in 2017 whilst happiness fell by 2.174363222% and vice versa in the case of 2019 as GDP decreased by 21.08924584% whilst happiness increased by 1.94832698%. This can be explained by the fact that in 2017 there was a loss of public confidence in the Government as it had been largely unresponsive to human rights violations (including violence caused by xenophobia) and incompetent in tackling rising corruption.

It also responded poorly to the increased violence against women and failed to ensure a more accessible education system for children with disabilities. Perception of corruption had increased, trust in the government had eroded and social safety had fallen drastically in this year, contributing to the fall in happiness despite a rise in GDP as per its 2017 World Report. However, in 2019, GDP declined whilst happiness increased as investor confidence had fallen, policy uncertainty had risen and electricity production had taken a consequential downturn in this year.

Sweden, like its other Nordic counterparts, is among the happiest countries in the world. It observes a generally negative correlation in the years 2016, 2015 and 2018 and a positive relationship between the variables is recorded in 2017 and 2019. As a general trend, the percentage change in happiness is positive and it is relatively unresponsive to changes in GDP given that social support, (emphasis on the "Law of Jaunte") trust, freedom and autonomy but most importantly, a healthy work-life balance are more prominent factors influencing average happiness in Sweden.

In 2016, as already noted happiness declined by 0.096008778% although GDP had increased by 3.514566298%, this can be explained by the Seasonal Affective Disorder (SAD) which is

a type of depression that is generally exacerbated by the harsh winters of Sweden so much so that Swedes suffer from “vinterdepression” as they claim to feel more tired and inactive since the shorter, darker days can be extremely challenging. This is notable as in 2016, temperatures in Sweden dropped to a staggering -42.8°C (akin to 2015). Another outlier, as mentioned, is 2018 when GDP decreased by 8.255416363% albeit happiness increased by 0.396499863% which can be explained by the fact that Sweden, being a small open economy is vulnerable to external shocks but more saliently domestic demand had declined and the labour market cooled down.

Togo, which once ranked at the bottom of the WHR 2015 saw the biggest gains in happiness than any other country in 2018 for it had jumped 17 positions in the World Happiness Index from the previous year. However, in 2018, average happiness in Togo was the most responsive or highly elastic to changes in GDP for it reported an elasticity value of -21.50442758 (as opposed to the previous year since a 8.6057915% increase in GDP was met with a whopping 14.42060086% increase in happiness). This elasticity value (for 2018) is significant because despite a 0.100004412% decrease in GDP it saw a 2.150537634% increase in happiness.

Thus, there are other more prominent influences that have contributed to the negative GDP growth. This includes the stable drop in its infant mortality rate from 2016 suggested by UNICEF data and an increasing literacy rate from 2015 onwards given by UNESCO data as more children have completed primary level education from 2015 than in the early 2010's. Whilst, in 2018, in particular, there was greater stability and security, a change in the government and conservation of domestic freedom although it has since experienced political instability/unrest (protests are commonplace especially amidst demands to depose President Faure Gnassingbe) and lack of food and water safety.

Benin has generally observed a positive correlation between the variables with the exception of 2018 and 2019 which has posited an inverse relationship between happiness and GDP given that although GDP fell by 5.693643752%, happiness increased by 6.819578128% in 2019, analogous to 2018. However, 2018 had recorded a -10.38956074 elasticity value whilst the elasticity of happiness to changes in per capita incomes in 2019 was only -1.197752867 . This indicates that average happiness in Benin in 2018 was more responsive to GDP fluctuations than in 2019 as also observed in Togo in the same year. It is also worth noting that Benin usurped Togo as one of the biggest (top 25) gainers in the WHR 2019.

Security and stability, changes in the government and protection of democratic freedoms are major contributors to happiness in Benin. Despite ranking among the poorest countries of the world it is one of the most stable democracies in Africa. However, the country is grievously underdeveloped and corruption levels are staggering.

Iceland is quite atypical as the nature of the relationship between the two variables alternates every year given that the inverse relationship between GDP and happiness in 2015 (happiness fell by 0.793545827% although GDP had increased by 16.9361106%) is substituted by a

positive correlation between the same in 2016 and this pattern is duplicated through the years till 2019. However, it must be noted that the numerical strength of this relationship between happiness and GDP changes is very weak, indicating that happiness is highly inelastic to variations in GDP given that in 2016 (for instance) a 16.01537741% increase in GDP was recorded whilst happiness had only increased 0.039994667% and in 2019 although GDP had decreased by 10.86989092%, happiness only increased by 1.206349206%, resulting in a 0.062490568 elasticity value.

In 2016, the equal distribution of happiness where most Icelanders are nearly equitably happy is a prominent contributor to well-being as it is found that subjective well-being is higher in societies with less inequality in happiness. In addition, Iceland's books per capita in this year were the highest among any other country as Icelanders indulge in literature and other creative/cultural resources to express their grief. Alternatively, it is worth realising that GDP only accounts for 1% of happiness with social relations being a more influential determinant of life satisfaction in comparison with GDP. Hence, although there may be an economic crisis (as in 2019) strong social relationships and resources act as a buffer for well-being in such situations.

Other more prominent factors include a high level of trust and safety in the society and qualitative healthcare for it has one of the lowest infant mortality rates and highest life expectancies in the world.

Finland is quite an unusual case. Initially, a positive correlation can be observed between the variables in the years 2015 through 2017 after which (in 2018-19) there is an inverse relationship between GDP and happiness levels. It is also notable that happiness becomes progressively more responsive to changes in GDP from 2015 (0.040456217) to 2019 (0.780528852). Although happiness is incrementally more responsive to changes in GDP over the years there are other more prominent factors that influence the average life satisfaction of Finns (especially in 2018-19 when GDP has declined). These include a low perception of corruption, the inculcation of a sense of freedom and independence, an efficient democracy and prospering healthcare system (stimulated by welfare benefits and a progressive taxation system) and most importantly, a high degree of public trust in the government and the police forces. Over 80% of the population reported so according to the City of Helsinki Perceived Safety Survey 2018-2019.

Norway, unlike Denmark exhibits a positive relationship between the variables throughout the recorded years and the responsiveness of happiness to changes in GDP were also relatively congruous from 2015 through 2019 although it is relatively inelastic to fluctuations in GDP per capita. To underpin this contention it is valid to look at the year 2017 where a staggering 8.262236454% increase in GDP was only met with a 0.756269073% growth in happiness. The same is observed in the year 2016. Similarly, although GDP declined by 9.852381933% in 2019, happiness only dipped by 0.873709293% as also seen in the years 2015 and 2018. The same is reflected by the elasticity values reported alongside.

Norway ranked third in the WHR 2019, a step down from 2017. However, it is difficult to regard the declining GDP as a main contributing factor given that it is more than offset by the negligible corruption, excellent social support and freedom, social equality and high welfare ranks (bags a regular spot atop worldwide prosperity indexes) in all three of these years.

For Burundi, the nature of the relationship between happiness and GDP per capita is difficult to ascertain given that the percentage change in Burundi's happiness remained largely unchanged in a majority of the years (2016, 2017, and 2019). However, there was a steep uptrend in happiness in 2018 when it had increased by 29.94836489% whilst GDP per capita fell by 3.863845446% consequently resulting in an elasticity value of -7.750922056. This indicates a highly elastic relationship and a negative correlation between the variables in this year. Following this increase in 2019, Burundi's ranking in the WHR jumped 11 positions from 2018 (from 156th to 145th) after having had a constant happiness score of 2.905 for four years.

Burundi is poverty stricken and one of the hungriest countries in the world. It is ravaged by civil war, genocide and political instability when (in fact) in 2018 it was subjected to a failed coup attempt contributing immensely to the negative economic growth observed throughout the years. However, the people in Burundi have a strong sense of family and community like the Danish concept of "hygge". Burundians find happiness in the littlest things like the laughter of their neighbours or fellow farmers. Despite the many conflicts, a sense of humanity, generosity and kindness in the community proves to be a major contributor to subjective well-being. Thus, the high levels of social support that the Burundian population receive offset their shortcomings and are one of the main reasons why Burundi's happiness score and rank increased in 2018-19.

It is remarkable to note Denmark's percentage change in GDP and happiness in the years 2015 and 2016, as it posits a negative correlation between the variables since happiness fell by 0.013285506% although it had recorded a 2.646030804% increase in GDP in 2015 (analogous to 2016). This postulation is further fortified by the years 2018 and 2019 as happiness is observed to follow an upward trend whilst GDP decreased. The numerical strength of this inverse relationship between happiness and GDP is higher in the years 2018 (-0.256897238) and 2019 (-0.210350884) than 2015(-0.005020919) and 2016(-0.009861653) indicating that happiness was comparatively more responsive to changes in GDP (in terms of elasticity) in these years. It is important to note that the Danes' happiness was relatively inelastic to changes in GDP for the majority of the years.

We infer that in Denmark, the freedom to make choices, social support, equality and perceptions of corruption are more dominant (also subjective) factors affecting measures of happiness. Denmark's happiness scores and rankings in these years can be considered a result of their generous 33 hour work weeks, minimum wage of \$20, tuition-free access to high quality education, free healthcare and childcare and relatively low levels of corruption/crime. Such privileges have meant that the Danes are happy to pay taxes, have high levels of trust in the government and a high sense of safety and empowerment. More

notably, the high level of equality and a strong sense of responsibility for social welfare within themselves are also prominent contributors to happiness in Denmark.

Income equity and Happiness in Nordic Countries

The above analysis narrows down our focus on Nordic countries and kindles the curiosity to look into the income equity to understand their high Happiness quotients.

Country Name	1967	1975	1979	1981	1986	1987	1991	1992	1995	2000	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Denmark						26.2		24.7	23	23.8	25.6	24.9	25.2	25.9	26.2	25.2	26.7	27.2	27.3	27.8	28.5	28.4	28.2	28.2	28.7	28.2
Finland						22.2	22.9		23.5	27.2	27.7	27.9	27.6	28	28.3	27.8	27.5	27.7	27.6	27.1	27.2	26.8	27.1	27.1	27.4	27.3
Iceland										26.8	28	29	30.2	29.5	31.8	28.7	26.2	26.8	26.8	25.4	27.8	26.8	27.2	26.1		
Norway			26.9		24.6		25.2		26	27.4	27.6	31.6	30.6	26.4	27.1	27	26.2	25.7	25.3	25.7	26.4	26.8	27.5	28.5	27	27.6
Sweden	34	24.3		22.9		23.1		24.9	25.2	27.2	25.3	26.1	26.8	26.4	27.1	28.1	27.3	27.7	27.6	27.6	28.8	28.4	29.2	29.6	28.8	30

*World bank time series data

It is reasonable to conclude the previous analysis by stating that the happiness measured in Nordic countries remained consistently and largely unresponsive to changes in per capita incomes. These results thus prompt us to instead look at the extent to which relative income positions affect the happiness of individuals in the Nordic countries. We estimate this by inferring the trends in income inequality in these countries using their Gini Index.

Denmark had initially recorded a Gini index of 26.2% in 1987 from when income inequality (or the concentration of wealth at the upper tail of the wage scale) had declined until 2008, thereafter the index gradually increased to 28.2% in 2018 when it had recorded an elasticity of happiness of -0.256897238 which was the most responsive Denmark's happiness was from 2015 through 2019 to changes in GDP per capita.

Like Denmark, Finland's income inequality also followed an upward trend from 1987 when its Gini coefficient was 22.2% to 2018 when it had recorded a coefficient of 27.3%. In addition, its happiness was also negatively correlated with GDP per capita as its elasticity of happiness in this year was -2.494639311. However, unlike Denmark, the coefficient did not fall below that recorded in 1987 in any of the succeeding years although there were fluctuations.

In 2003, Iceland recorded a Gini index of 26.8% following which the income inequality incrementally increased (with minor exceptions) until 2014 after which it declined to 26.1% in 2017. Income inequality in Norway (analogous to Iceland) also declined as its Gini index customarily fell from 1979 (26.9%) to 2018 (27.6%). However, it should be noted that the fluctuations in the concentration of income in both countries' wealthiest groups are trifling and thus, inconsequential although there were more remarkable changes observed in Sweden. Income inequality was at its highest in 1967 when it had recorded a Gini index of 34% after

which it kept to a downward trend (with some exceptions) till 2018 when it's Gini coefficient was at 30%. This is comparatively higher than the income inequality in 2016 (28.8%) but quite notably lower than in 1967.

From these inferences it would be imprudent to posit that the changes in happiness in the Nordic countries over the years is recognized by fluctuations in income inequality given that it has been relatively constant throughout the decades and the changes that did occur have been quite trivial across the acknowledged countries. Nevertheless, from this analysis it can be concluded that the equitable distribution of income (the Gini index is low in all of the countries), associated high/stable standards of living and favorable relative income positions are relevant factors that go some extent to explain how these countries consistently rank within the top 10 in the World Happiness Report over the years.

Since we can conclude that income equity is generally unresponsive to changes in happiness in Nordic countries despite the nature of the relationship, we are intrigued to discover what other factors actually make a substantial contribution to life satisfaction and subjective well-being in these consistently high ranking countries.

COVID 19 and Subjective wellbeing

We chose to look at the Nordic countries in particular because their happiness scores in the World Happiness Report had increased despite the COVID-19 outbreak which is the opposite of what is expected out of the crisis. Thus, in this analysis we will be evaluating the impact of the pandemic on the most prominent components of the Happiness Index which include psychological well-being, health, education, cultural diversity and resilience, good governance and living standards to ascertain how the different populations reacted to the outbreak in terms of these components and how the country was able to record an increase in its happiness score despite the same.

Denmark :

Denmark was one of the first of the European states to initiate definitive action against COVID-19 and its response efforts were greatly dissimilar to the measures adopted by its Nordic neighbor, Sweden which pursued relatively fewer and less stringent measures on public life. Thus, its quick response and effective control over the pandemic were the crucial elements contributing to the initial positive handling of the outbreak. The impact of COVID-19 on the psychological well-being of the population was rooted in the Danes' trust in the recommendations of the authorities and the capacity of the Danish healthcare system to manage the pandemic as 38.4% or 840 of 2190 participants surveyed by BMC Public Health using a tailored questionnaire to measure the self-perceived consequences of the pandemic (emotional distress, illness worry and physical symptom load) reported to have complete trust in its ability to do so and 44.9% or 984 participants expressed that the rigorous response efforts were not at all excessive.

Most participants were greatly satisfied with how they had countervailed the restrictions on their social and work life so much so that their emotional well-being was hence largely unaffected by the pandemic although few participants did report a negative impact on their work-life as 2% of the participants were exposed to redundancy of which 1.4% did not receive any compensation and 4.4% experienced economic repercussions in their private companies.

In accordance with PISA 2018 data collected prior to the pandemic 71% of the students in the upper quartile and 69% of the students from the bottom quartile of the wage scale in Denmark reported that they (either "agreed" or "strongly agreed") have sufficient faith in their ability to navigate through hard times. 91% and 90% of students in the upper and bottom quartiles of the socio-economic distribution respectively reported that they can and will somehow manage such obstacles in their learning as 65% (students in upper quartile) and 56% (students in the bottom quartile) revealed that their academic goals were centered in learning as much as they can from school over passing with flying colors. Apart from the optimism of students amidst the pandemic, parental support in their child's learning is also crucial to regulate anxiety in these uncertain times. In Denmark, 95% of students from the

upper quartile of the socio-economic distribution and 92% of students from the bottom quartile reported that their parents were supportive of their educational efforts and academic achievements. The Danish Minister for Children and Education also emphasised that students hailing from vulnerable backgrounds, especially those with learning disabilities and special educational needs will be given special consideration. Schools were obligated to extend additional support to these children and were required to be in touch with the child and their family on a regular basis.

According to a national survey questionnaire by Handberg et al.(2021) for children and adults with neuromuscular diseases, 81.7% of adults and 78.7% of children had to scale back on the time they spent on leisure activities as a result of the pandemic since the activities they could engage with were restricted as reported by 79% of the adults and 73.8% of the children. Nearly 50% of the general public of Denmark (as per a survey of 1000 respondents) reported that they spent more time watching live TV and browsing news websites. The media they spent the smallest proportion of their time on included streaming music, listening to the radio, reading entertainment magazines among others.

Good Governance has also played a vital role in enabling Denmark to rank second in the WHR 2021. The government has phased out subsidies to compensate employees by covering 75% of salary costs, the self-employed by remunerating 90% of revenue lost to COVID-19 and start-ups by issuing a compensation salary up to 75% to ensure the financial well-being of the population. Apart from this, there are reductions in loan restrictions by the Ministry of industry, business and financial affairs, loan guarantees on 70% of corporate loans to cover direct losses as a result of the pandemic, and the government will also subsidise 25-80% of the fixed costs of companies experiencing declining revenues.

The social heritage and traditions of Denmark and the Danish concept of “hygge” which relates to the contentment that is derived from simple things in life (the Danish were thus happy to stay at home with family to benefit from the “hyggelige moments”) also contributed immensely to its success in combating COVID-19. It is also worth mentioning the high living standards of the Danes. From 1990 to 2019, Denmark saw a 16.6% increase in its Human Development Index (HDI) from 0.806 to 0.940 and this HDI is above the average of 0.898 for countries categorised into the very high human development group of the index. Its GNI per capita had increased 54.3%, mean years of schooling increased by 3.7 years, expected years of schooling rose by 4.8 years and life expectancy at birth improved by 6.0 years between the almost three decades.

Finland:

The impact of the pandemic on the general public although not as substantial as in other large industrial economies (despite the economic ramifications being predicted as just as drastic) it was indeed unpredictable. Finland’s response efforts were categorized as a “hybrid strategy” given that the stringent, rigorous and constrictive measures pursued by the public authorities were eased into a more efficient and improved control over the situation. The pandemic has

also expedited the growth of telemedicine and digital healthcare services which can come forth as a probable setback to the Finnish healthcare system.

Like Denmark, according to PISA 2018 data, 71% of Finnish students had strong faith in their capacity to cope with setbacks or adversities in their learning and 94% of the students reported that they will be able to manage in some way or the other. Upon evaluating the learning goals of students which is a strong indicator of their motivation it is found that 56% of Finnish students believe that their primary academic objective is to learn as much as possible from their schooling although 90% of students stated that it is also very important to try hard at school. As with Denmark, parental involvement in their child's learning is requisite to alleviate anxiety and stress in these uncertain times. Thus, 91% of students in Finland expressed the reception of parental support in their academic efforts and achievements.

The working group formed by the Ministry of Education and Culture recommend that the integration services and efforts extended to immigrants should include greater access to the opportunities in the Finnish arts and cultural life as this can create a more inclusive and equitable society (prominent contributor to happiness in Finland) by promoting the exchange of intellectual dialogue and enhancing people to people interactions which welcomes cultural diversity by reducing the risk of racism. Speaking of equity, the Finnish population also enjoys remarkably high living standards despite the pandemic.

According to the Human Development Report 2020, Finland's HDI value had increased by 18.7% between 1990 (0.790) and 2019 (0.938) given that life expectancy at birth was extended by 6.7 years, expected years of schooling improved by 4.4 years, mean years of schooling had risen by 5.4 years and GNI per capita grew by 51.3% in these almost three decades. Although, when Finland's HDI in 2019 is adjusted for inequality it fell by 5.3% to 0.888 as a result of disparities in the HDI dimension indices' distribution. However the reduction is still lower than the loss provoked by inequality in its Nordic counterparts, Denmark (6.1% loss) and Norway (6.1% loss).

It is also useful to consider how the Finns utilized their time in the Pandemic. Based on a survey conducted in 2020 to measure the impact of COVID-19 on daily usage of social media platforms it is reported that the Finns have spent the most time on Whatsapp (daily usage increased by 9% during the pandemic as restrictions were being imposed) and Instagram. However, despite many platforms growing in popularity, the daily usage of apps such as LinkedIn, blogs and online forums declined.

This can be used to delineate the impact of the pandemic on the psychological well-being of Finns given that 35.92% of 1308 Finish workers surveyed by Savolainen et. al (2021) reported anxiety instigated by techno stress and 37.935% of workers reported stress induced by increased social media information bubble as a result of the Covid-19 pandemic. Other more prominent causes of anxiety include decreased social support (reported by 39.48% of the sample) and increased work exhaustion (reported by 41.78% of the sample). However, the

mental well-being of Finnish workers has not decreased substantially due to the pandemic because some level of anxiety is expected and normal in these uncertain times.

Finland's COVID-19 situation was among the best and most well-handled as it is a stable and sustainable society which guarantees the rights and welfare of its workers even better than most developed countries. Government efforts (Good Governance) in the context of the pandemic also contributed immensely to Finland's happiness score of 7.842, ranking first in the WHR 2021. The accessibility of information on COVID-19 was improved as updates were made available in many languages including sign language and Braille, public authorities extended financial support to companies to help them compensate employees, prevent redundancies and enable the re-employment of retrenched workers. Lifelong career counselling and guidance among other employment services were also made available to workers to promote rapid employment. In addition, the government also prioritized the expansion of the employment prospects of workers in the most vulnerable labour market position (migrants, part-time and elderly workers) amidst the pandemic.

Iceland:

Iceland's infection fatality ratio (IFR) estimates i.e. the deaths caused by the virus as a proportion of the infected population varied between less than 0.1% to a staggering 25% since the beginning of the pandemic (variations depend on the sample size and age structure) although the results/estimates of a majority of the studies coincided at 0.5 to 1%. This is a result of Iceland's progressive healthcare system and its relatively young population (median age of 37) which is unlike other rich and developed economies. During the pandemic, alike Finland, telemedicine and digital healthcare services grew substantially. Although the number of in-person, daytime consultations had increased by 35% (according to a descriptive observational study by Sigurdsson et al. (2020)), the number of web-based and telephone consultations rose by 127% and drug prescriptions from online consultations increased by 55.65% despite there being no changes in antibiotics prescriptions. The most remarkable occurrence amidst the pandemic in Iceland is that despite the large number of suspected infections, the 10 most probable diseases during this period did not include immunisation, depression, hypothyroidism and lumbago which were among the most common in other infected countries.

According to PISA 2018 data, 69% of students in Iceland are confident in their ability to navigate through obstacles in their learning in times of crisis and 91% of students reported that they will be able to manage some way or the other. Since the academic objectives of students can determine their level of motivation and engagement with their schooling during a crisis, 91% of students believed that it was important to try hard at school and 52% of students affirmed that they prioritised learning as much as possible from school. In Iceland, 93% of students expressed availing parental support for their academic achievements and efforts. In response to the Pandemic, most schools in Iceland offered shorter working days, distance learning and reduced attendance and the government announced tighter restrictions including mandatory mask usage for students from Grade 5 and above.

Almost one-third (32.2%) of students did not miss a single day of school whilst 49.15 missed only one or two days throughout the course of the pandemic. Freedom on the internet allows for greater self-expression and autonomy for Icelanders which is an important predictor of happiness. According to the results of a Freedom on the Net survey in 2020, Iceland was given a freedom score of 95/100 (0 being least free and 100 being most free) for there were no obstacles in accessing the internet (25/25), negligible limits on content (34/35) and hardly any violations of user rights (36/40) although there were initiatives (working groups) to counteract the “information chaos” instigated by COVID-19 which threatened censorship of content.

To understand the impact of COVID-19 on cultural diversity and resilience it is worth looking at its impact on cultural industries. Between 2019 and 2020 the taxable wages in cultural industries declined by 22.9% whilst taxable wages across all other industries combined only decreased by 9.7%. Register-based employment in cultural industries was at its worst in May when it recorded a 10.1% drop although unemployment in all other industries combined increased by less than 6.2%. In addition, 7.4% of enterprises that took out support loans were operating in cultural industries. Extensive government support to combat the impact of the pandemic is also a contributing factor to Iceland’s happiness score of 7.504 (4th rank) in the WHR 2020. Some economic stimulus measures include government grants given to compensate the operational costs of public sector enterprises experiencing an income decline as a result of COVID-19 and those entities which were being forced to cease operations by the Ministry of Health following the implementation of COVID-19 restrictions. Other notable employment related measures include increased right to unemployment related benefits for part-time workers and students and the right to a salary (provided by the government) to compensate workers experiencing a loss in income from being quarantined without symptoms of infection if their employers do not do so.

Icelanders also enjoy high and equitable living standards like its Nordic counterparts. In 2020, Iceland reported a HDI of 0.938 and between 1990 and 2019 Iceland’s HDI value increased by a whopping 17.6%. Its life expectancy at birth increased by 4.9 years, mean years of schooling was extended by 4.3 years, expected years of schooling increased by 4.8 years and its GNI per capita rose by 76.5% between the almost three decades. Iceland’s HDI value of 0.949 in 2019 is higher than the average value of 0.898 for countries in the very high human development category and its HDI adjusted for inequality equals 0.894 (loss of 5.8%) which is lower than the average loss of 10.9% for most countries with very high HDI values.

Norway:

According to a web-survey conducted by Blix et al.(2021) on a sample of 1041 participants representative of the Norwegian population, 25.7% or one out of every four participants expressed anxiety and psychological distress incited by the consequences of the pandemic. A higher level of COVID-related worry and vulnerability factors such as socioeconomic-disadvantages (living alone, unemployment and pre-existent economic issues), underlying

mental health issues including risk of exposure to violence and pre-existing illnesses/old age (which increase the risk of more severe infection from COVID-19) worsened by the pandemic are correlated with poor subjective well-being and lower levels of life satisfaction among the participants.

A more negative lifestyle was also reported by Norwegians relative to the Swedes partly because Norway's pandemic response efforts were more restrictive and rigorous alike Denmark but unlike Sweden. The Norwegian government's policy responses were prompted by three main agendas: restricting the spread of virus, alleviating economic consequences and managing social consequences. However, despite the overtly strict regulations, over 98% of Norwegians were compliant with the restrictions although a web-based survey conducted by Helsing et al.(2020) acknowledged that the Norwegians had high trust in the healthcare system but relatively lower trust (only 17% of the participants reported high trust) in the public authorities/government.

The pandemic's impact on education, a prominent contributor to happiness in Norway can also be evaluated using PISA 2018 data according to which 71% of Norwegian students were confident in their ability to get through difficult times and this percentage remains unchanged among students from the bottom quartile of the socio-economic distribution. 89% of students are also certain that they will be able to get through any impediment in their learning one way or the other and in terms of parental support, 92% of students reported that their parents are actively involved in their learning and are supportive of their academic efforts and achievements. In fact, 66% of Norwegians believed that the closure of schools was necessary and 65% maintained that countries that did not mandate the closure of schools were being irresponsible.

The consumption of media or time use can also influence Sweden's happiness ranking and score. Swedes spent the largest proportion of their media consumption on online newspapers as 60% of 1000 respondents in a Swedish survey reported that they spent more time reading online newspapers now than prior to the pandemic whilst the consumption of printed/physical newspapers declined given that 44% of the respondents have reported so. The consumption of other media including TV news (57% of people), social media (51%) and TV entertainment (49%) also increased drastically.

Government and institution measures initiated to offset the economic impact of the pandemic include the reduction of financial liability for companies with retrenched workers and for absence from work due to infection. It had also declared the provision of salaries to compensate temporarily laid-off workers. Economic stimulus measures include loan guarantees for small to medium sized enterprises incurring losses as a result of the pandemic, the reinstatement of the Government Bond Fund in support of larger companies (improves access to capital and liquidity in the Norwegian bond market) and subsidies provided to cover a proportion of the fixed costs of heavily affected companies. The loss (in revenue terms) made by Norway's cultural sector due to the pandemic is predicted at 36% with the music

industry incurring the largest loss (50%) and the literature sector experiencing the lowest loss (23%)

Sweden:

Sweden, unlike most of its Nordic counterparts, pursued relatively lenient measures in response to the COVID-19 pandemic. The public authorities favoured the provision of recommendations over the implementation of restrictions as there was neither a lockdown nor a closure of borders. Thus, primary schools (although there were part closures), restaurants and other services remained mostly open and gatherings up to 50 people were permitted despite the spread of the virus. However, public trust in the capability of the Government remained higher in Sweden than in Norway where stricter restrictions were imposed as 37% of Swedes reported higher trust compared to the 17% of Norwegians who reported the same according to an anonymous web-based survey.

In addition, despite the relaxed restrictions, over 98% of the population were compliant with preventative measures to contain the virus and 50% of the Swedes surveyed expressed that they lived an inactive, seated and 'socially distanced' lifestyle. This could be a prominent contributor to Sweden's happiness score of 7.353 (happiness rank 7) especially because the Swedish population ultimately reported higher levels of trust in the Government and the country's healthcare system than any other Nordic nation. The psychological impact of the pandemic in Sweden manifested as three most commonly diagnosed diseases reported by a national, online, cross-sectional survey conducted by McCracken et al.(2020). These diseases are insomnia (reported by 38% of respondents), anxiety (24.2%) and depression (30%) predicted strongly by underlying health issues and pre-existing mental illnesses. Other contributors to these outcomes include financial instability due to the pandemic and the presence of signs of infection from COVID-19.

In terms of Education, according to PISA 2018 data, 66% of Swedish students reported strong faith in their ability to get through a crisis and 93% of the students maintained that they are likely to somehow manage obstacles in their learning for 89% of the students believe that it is important to try hard at school and 46% believe that learning as much as possible from school is the most important academic objective. Parental support in students' education is also high in Sweden given that 89% of students expressed that their parents were involved in their learning and appreciative of their educational efforts and accomplishments. The overall impression is that schools in Sweden had a relatively smooth transition to operating on digital platforms and distance learning since most institutions were already familiar with digital tools, software and teaching strategies as they were employed in schooling well before the pandemic itself. Like Denmark, the Swedish government also mandated extra support to children with learning disabilities or special needs.

Swedes' media consumption has also been affected due to the pandemic. Surprisingly, the least time was spent on social media since there was a 10% decrease which was the largest decline in the usage of any media. During the virus outbreak, the most time was spent on

national news on radio and television given that 80% of 2549 respondents surveyed using a postal questionnaire reported that they consumed this media at least three days which is a 7% increase compared to the fourth quarter of 2019. The Swedes also reported the highest trust in the news content provided especially by the public broadcaster Sveriges Television (SVT). According to the results of a postal survey conducted from April to June 2020, 81% of the respondents reported that they had “fairly high trust” in the broadcaster which is comparatively higher than the 74% trust in the content reported by respondents in the fourth quarter of 2019.

Extensive government measures to mitigate the economic consequences of COVID-19 may also contribute significantly to happiness as employment related measures such as short-time work allowance which prompt rapid employment and reduce redundancies whilst ensuring that workers receive more than 90% of their salary despite the reduction in working hours and economic stimulus measures including increased availability of loans and loan guarantees to small and medium-sized enterprises experiencing financial difficulties instigated by restrictions, discounted rent-related expenses to cover costs of companies severely affected by the pandemic, enablement of loans in US dollars to ensure sufficient supply of one of the major currencies used by Swedish businesses among others, help support economic recovery and the financial well-being of individual workers, companies and industries.

Sweden’s cultural and creative industries have also been severely impacted by the pandemic which had exacerbated the pre-existing volatility of these industries and the restrictions that have had a direct impact on the entire creative value chain (due to the complexity of their work) are an immediate threat to creative professionals and artists. To revive, stimulate and promote cultural diversity in creative expressions amidst the crisis, the Swedish government has implemented several measures and policies one of which include the entitlement of the cultural sector to financial aid up to SEK 1 billion to help cover associated costs and counteract the economic consequences instigated by the pandemic.

The Swedes, like the people in all Nordic countries, also enjoy high living standards for its HDI had increased by 15.1% between 1990(0.821) and 2019(0.945). Its HDI value in 2019 was also higher than the average value of 0.898 for countries in the very high human development group. However, there is a 6.7% decrease in the value when the HDI is adjusted for inequality which is a much higher loss than Denmark and Finland. Life expectancy at birth increased by 5.2 years, expected years of schooling had risen by 6.6 years although mean years of schooling only extended by 2.0 years. There was also a 60.6% increase in the GNI per capita.

Conclusion and Recommendations

Overall, our discussion propounds a weak correlation between both income per capita and happiness and income inequality and subjective well-being. However, the wage gap in any economy is invariably an adverse influence on other relatively major determinants of happiness including levels of perceived crime & corruption, social support (a sense of community) and the attitudes of different income groups. Thus, income equity, although not a prominent contributor to changes in happiness, is the starting point to achieving higher levels of happiness. This postulation is exactly demonstrated by the Nordic countries. On the other hand, since we had analysed the different components of the Gross National Happiness Index in the Nordic countries with reference to the COVID-19 pandemic, it is evident that the socio-psychological factors play a comparatively robust role in helping the Nordic countries consistently rank atop the Happiness index charts.

Although a country may achieve higher economic growth (positive gains in per capita GDP), there is no guarantee that average life satisfaction will increase as the gains in income might be very well offset by negative responses from the other predictors of happiness delineated by the paper, including but not limited to generosity, social support, freedom to make choices, healthy life expectancy, perceptions of corruptions and confidence (empowerment).

Most countries focus on nurturing the younger generation using moral education. Yet, we recommend that countries look into fostering inclusivity in their education system instead, which is a positive influence on several leading predictors of happiness. Inclusive education is aimed at building character and community living attitudes in younger citizens as they are trained to represent a multi-faceted skilled workforce to consequently pave the way for improvements in productivity gains and economic growth. An inclusive education can also promote cultural diversity and empowerment by encouraging the acceptance of differences in race, colour, religion and appearance. In addition, it can also inculcate a culture of trust, friendship and belonging within the younger citizens whilst instilling a sense of freedom to express their views and the autonomy to make their own choices.

We also advocate for greater transparency of government interventions and transactions. When the general public is aware of what percentage of an individual's income tax is added to the government's health budget or so, it might not only make the individual more responsible towards using the common pooled resources but also fosters a strong sense of common responsibility and helps build trust in the government/public authorities as taxpayers are informed about how their money is being used for the betterment of the economy.

Lastly, effective two-way communication between the government and its citizens is recommended to insure the economy against information failure. Well informed citizens might also have relatively lesser behavioural lag which can reduce government macroeconomic failure otherwise too.

“Happiness is not a place to reach, it is a direction”. Thus, only along with proper and regulated government intervention can a sustainable outlook on happiness and wellbeing be achieved in both the developing and developed world.

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