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QUALITY OF GOVERNMENT

Quality of Government Makes People Happy

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The hypothesis in this paper may seem a little strange, especially to neo-liberal economists. We will test whether government could be part of the solution and not part of the problem as is so often the case in some economic theories. Our hypothesis is that quality of government – defined as effectiveness, impartiality, rule of law and no corruption – is a factor, a prerequisite, behind aggregate levels of feelings of happiness and satisfaction with life among populations across the Earth. Quality of government makes people happy. And it makes people happy in rich countries as well as in poor countries. Maybe not Big Government, but certainly Good Government, is an essential recipe for making citizens more content with their lives. That is our strange hypothesis.

Earlier Research on Quality of Government and Happiness

Earlier research on the relationship between quality of government and happiness is not abundant. What there is, however, indicates that, on a general level, Quality of Government (QoG) has a positive effect on happiness. The more effective, incorrupt and impartial government institutions, the happier and the more satisfied with their lives are the citizens (Bjørnskov et al 2008; Helliwell and Huang 2008; Ott 2005).

A central feature in the literature is if there is an interaction of QoG with economic development. It is sometimes argued that QoG only has an effect in poor countries. In models with only richer countries the QoG variable often, but not always, fails to reach significance.

Helliwell and Huang (2008) analyze 75 countries and in the full sample QoG has a significant and positive effect on subjective well-being. However, when dividing the sample into countries that have below and those that have above half of the GDP of the United States, QoG is significant only in the group of poorer countries. A possible explanation of this could be that QoG increases happiness through economic growth, and that economic growth does not have any effect on happiness when economic wealth has reached above a certain level (Blanchflower and Oswald 2004; Layard 2005).¹ However when controlling for GDP, the coefficient of the QoG variable declines by only 10-20

¹ That economic wealth does not contribute to greater happiness above a certain level is contested by Hagerty and Veenhoven (2003) and Stevenson and Wolfers (2008).

percent, so that it cannot be that QoG only “contributes to well-being by producing higher per capita incomes.” (Helliwell and Huang 2008, p. 603)

Similar results is reached by Bjørnskov et al (2008). In their full sample of both rich and poor countries, the QoG variable is significantly connected with greater happiness in all their different models. However, when dividing their sample into countries above and below a GDP per capita of 8000 USD, the QoG variable again loses its significance in the group of richer countries when one of their two different operationalizations of happiness is used. One could argue, though, that Bjørnskov et al (2008) put the QoG variable to a test that is too hard. They include interpersonal trust in their models and there is reason to believe that interpersonal trust could be one of the mechanisms through which QoG produces greater subjective well-being. Incorrupt and effective governmental institutions have been shown to produce trust between citizens (Rothstein 2003; Rothstein and Stolle 2003), and there is evidence that interpersonal trust increases happiness (Diener and Suh 1999; Helliwell and Huang 2008). Including interpersonal trust in the model might then lead to an underestimation of the effect of QoG.

That interpersonal trust is one of the mechanisms through which QoG increases happiness is exactly what is found by Teorell (2009). First he finds that QoG has a significant effect on happiness. This is the case both when he is using Teorell’s (2009) original measure of QoG as impartiality of government institutions, and when using governance indicators from the World Bank. Second, he also finds a few mechanisms for this effect: interpersonal trust, economic growth and the low propensity for civil war are all linked to QoG. And when introducing these three variables as controls in the model of subjective well-being, the QoG effect is no longer significant when using the impartiality measure (p. 20). When using the different World Bank operationalizations of QoG the effect is significant even when controlling for growth, trust and civil war, but is weakened. Teorell does not analyze poor and rich countries separately. His sample consists of 52 countries, with a slight overweight of countries from the OECD

Finally, Samanni (2009) does a time-series cross-section analysis of twelve West European countries. In one of his models QoG has a significant and positive effect on

happiness, but it fails to reach significance in a harder test (with a lagged dependent variable).

In sum, earlier research shows a clear connection between QoG and happiness in poorer countries. In richer countries the results are mixed, sometimes indicating a positive effect on happiness, but often not. Thus, whether QoG is good for happiness also in more affluent countries is still an open question. One of the goals of this paper is to try to close that question.

Other Variables Affecting Happiness

Among other variables that have been shown to have an effect on subjective well-being, GDP per capita is of course one. Being poor is bad for happiness. Whether higher GDP has any effect above a certain level is, as mentioned earlier, not entirely clear. Some claim that the rich part of the world has not seen an increase in happiness in the last few decades although GDP has risen considerably (Easterlin 1974; Layard 2005; Blanchflower and Oswald 2004). Others claim that we indeed have seen an increase in happiness when GDP rises, even in the rich part of the world (Hagerty and Veenhoven 2003; Stevenson and Wolfers 2008). It therefore seems reasonable to include GDP as a control variable in the analysis.

Another important factor stressed in the literature is individualism. The more individualistic the culture of a country is, the happier are the citizens. In individualistic countries people are in a higher degree free from social constraints and can choose their own lifestyle, resulting in greater happiness (Ahuvia 2002; Brülde 2007, p 149; Diener and Suh 1999). We don't have any direct measure of individualism. Instead we use a measure of post-material values from the World Values Survey as a proxy for individualistic culture.

Religion has been shown to have an effect on life satisfaction both on the micro and the macro level. Religious persons have higher subjective well-being than non-religious persons, and the more religious the population the higher average subjective well-being in a country (Argyle 2001; Brülde 2007, p 223; Helliwell and Huang 2008).

Democracy is also conducive to happiness. When people are able to select their leaders, subjective well-being is higher (Dorn et al 2007; Helliwell and Huang 2008; Veenhoven 1984).

Health is another important factor behind the feeling of happiness. Countries where people live longer and are healthier do better in terms of subjective well-being. Health is also thought to be one of the mechanisms through which higher QoG leads to more happiness. Where QoG is higher the health care system works better, and people are healthier. This is at least the case for poorer countries (Helliwell and Huang 2008, p. 611).

Choice of Operational Variables

We start with a basic benchmark looking at bivariate relationships between on the one hand happiness and life satisfaction as dependent variables and on the other hand a set of independent explanatory variables that have been deemed important in the literature. The two dependent variables are subjective measures taken from the World Values Surveys indicating degrees of personal happiness and life satisfaction on self-placement scales. The two feel good variables are intended to capture two different theoretical constructs, but in practice the correlation between the two measures is quite high. It is $+0.73$ for the ninety countries covered by WVS.

Since the main purpose of our analysis is to test if, and to what extent, quality of government matters for how happy and satisfied people are with their lives, we have included three different QoG variables in the study – the World Bank's government effectiveness variable, Transparency International's corruption perceptions index, and the Quality of Government Institute's new government impartiality measure. The latter is based on expert judgments collected by the QoG Institute in about fifty countries around the world (Teorell 2009). In theoretical terms, the three indicators are meant to cover slightly different phenomena. However, in practice they are all very highly interrelated with correlations of around $+0.85$ between them.

As control variables we have brought along a long series of variables that are frequently present in the theoretical as well as in the empirical literature on happiness and life satisfaction. Since money always matters, three economic variables are included, one measuring degree of richness (GDP per capita) and two measuring economic equality (Gini index and Income share of poorest 20%). The latter variables are very important to study if we believe Wilkinson's and Pickett's (2009) argument that degrees of societal equality have a profound impact on most things in a modern society, including happiness.

On the individual micro level, health is one of the strongest factor explaining people's life satisfaction and happiness (Argyle 2001, Klein 2002, Holmberg and Weibull 2004, Hellevik 2008). In our aggregate level study we have included the two most often used health indicators – Healthy life expectancy and Infant mortality.

To feel reasonably secure is one of many psychological prerequisites for feeling happy (Brülde 2009). Consequently, we thought it appropriate to try to include some variables related to security. Lacking good direct measures, we decided to include two rather crude proxy measures for the feeling of security. These are two trust variables – Interpersonal trust and as a proxy for societal trust, Confidence in parliament. The hypothesis being that if you do not trust your fellow man and the important institutions in the society where you live it is difficult to be satisfied with your life or to be happy. The operating mechanism behind is of course the feeling of security. If you do not feel safe among people and in the society where you live, life satisfaction and happiness will be elusive.

Two somewhat contradicting variables often found as explanatory variables in the happiness literature are religiosity and post-materialism. They are contradicting in the sense that the variables tend to be negatively correlated. Religious people tend not to be high on post-materialism. But when it comes to happiness and life satisfaction both variables have a positive relation. Religious people as well as post-materialists tend to be more satisfied with their lives and to be more happy than the average person. The two variables that we have included in our analysis are both taken from the World Values Surveys. They are Importance of God and Inglehart's Post-Materialism scale.

Last, and very obviously, we have included a variable measuring Level of Democracy in the ninety countries selected for our study. It is not believable to talk about independent effects of quality of government without controlling for degrees of democracy (Veenhoven 1984). The control is necessary since the two variables are highly interconnected with correlations around +. 55. Our chosen democracy measure is taken from Freedom House's annual studies combined with Polity's index. A problem with it is that the variance is very limited among Western countries. They all tend to have the highest score possible

Looking at Fundamental Relationships

The fundamental relationships between our dependent and independent variables are published in a special Figure Appendix. There 16 bivariate scatter plots with regression lines are printed with the life satisfaction variable systematically running against a sample of our chosen independent variables. The happiness variable proves to have a poor face validity and weaker relationships with most explanatory variables, hence it is only included in a limited number of scatter plots.

Our three QoG variables reveal very similar outcomes, therefore we have restricted the number of scatter plots to the ones involving Government effectiveness as the operational QoG variable.

Most of the scatter plots come in two versions – one for OECD countries only and one for Non-OECD countries. The reason for the separate analyses among OECD and Non-OECD countries is to be able to very concretely study the relationship between quality of government and satisfaction with life among rich developed countries as well as among poor less developed countries. Personal income and levels of economic richness are the most discussed variables when it comes to explain or not to explain life satisfaction and happiness on the individual as well as on the aggregated national level. The OECD contra Non-OECD dichotomy is employed as a crude yet very instructive proxy variable for the level of economic development and richness.

The empirical results of our tests are summarized in seven tables and one graph in the Table Appendix. In Tables 1-5 and Graph 1 the correlations between the feelings of happiness and life satisfaction variables and all our thirteen independent variables are depicted among all countries and among OECD and Non-OECD countries, separately. Tables 6 and 7 contain the results from a series of regression analyses with the purpose of testing whether quality of government has an independent impact on life satisfaction after proper controls have been applied. These regressions have as well been performed including all countries and separately for OECD and Non-OECD countries.

If we start by looking at the bivariate relationships it is very evident that all the three QoG variables have strong positive correlations with the feeling of happiness variable as well as with the life satisfaction variable (see Table 1). The positive correlations are present among all countries as well as among OECD and Non-OECD countries. This means that higher QoG values are linked to higher average values of happiness and life satisfaction among the populations in the studied countries.

It is worth noting that the relationships usually are somewhat stronger for the satisfaction variable than for the happiness variable. That result is also found for most of the control variables. One of the main reasons for this outcome is that many countries in Latin America and some countries in Africa have surprisingly high figures for the average level of happiness; as a matter of fact those same countries tend to have somewhat “inflated” results for the life satisfaction variable as well. We suspect that surveys in developing countries tend to over-represent middle class people and have serious problems of reaching respondents outside the big cities. A selection bias of this kind could result in an overrepresentation of people with positive outlooks on their lives. As a result happiness (and to a lesser extent life satisfaction) would be inflated in developing countries, in particular in Latin America. Consequently, the face validity of especially the happiness measure is in doubt. Other possibilities that has been suggested to explain the high figures for happiness in Latin America is cultural norms (hedonism) making people “exaggerate” their feeling of happiness (Diener and Suh 1999) or an overrepresentation of extrovert humans with “positive” personality traits (Lynn and Steel 2006).

The life satisfaction variable is somewhat more valid and therefore more useful. The results using the life satisfaction variable is more believable, although it too indicates surprisingly high satisfaction results in Latin America and in some other developing countries. Subjective measures of an elusive concept like happiness or life satisfaction are always going to be problematic and open to contention. But there is no way around them. We can not do entirely without subjective measures that ask people how they feel.

One of the economic variables shows a very clear and positive relationship with life satisfaction (and almost as clearly with happiness). That variable is GDP per capita. Populations in richer countries are on the average more happy and satisfied with their lives than people in developing nations. The two other economic variables that measure different aspects of equality reveal mostly weak and insignificant relations with happiness and life satisfaction. However, in some cases the relationship is negative; those negative correlations are especially noticeable among Non-OECD countries (see Table 2). Consequently, for the poor Non-OECD countries there is a tendency that economic equality (=shared poverty for most people) tend to go along with populations on the average *not* being happy or satisfied with their lives. The main conclusion, however, is that economic equality is *not* strongly related to happiness or life satisfaction.

The strong correlations in Table 3 between the two health variables and the life satisfaction variable confirm a well known result – health is a major determinant behind whether people are satisfied with their lives or not. Observe, however, the weak and somewhat irregular correlations for the happiness variable, further underscoring the conclusion that it lacks face validity.

Our expectation that civic trust would be related to happiness and life satisfaction is only supported among OECD countries. Among Non-OECD countries, the relationship is weak and occasionally even negative, although statistically insignificant (see Table 4). However, all survey measurements having to do with trust – especially trust in parliament – are doubtful in authoritarian countries, most of which are found outside OECD. If we look at the scatter plot in Figure 16 it is obvious that confidence in parliament is at its highest in a number of authoritarian or non-democratic nations like Vietnam, China,

Bangladesh, Tanzania, Egypt and Iran. It is doubtful whether people in countries like these dare to tell pollsters that they distrust their leaders in parliament?

Of our two value variables, the relationship between Post-Materialism and both of the feel good variables are quite strong. Countries with on average less authoritarian and more individualistic post-materialist populations tend to have people who are more happy and content with their lives. The other value variable – Importance of God – indicates much weaker and irregular bivariate correlations, slightly negative ones among OECD countries and somewhat more strongly positive ones among Non-OECD nations (see Table 5). The conclusion seems to be that levels of aggregate post-materialism are a more interesting phenomenon to study than degrees of religiosity when it comes to happiness or satisfaction with life.

Finally, in Graph 1 the well-known relation between levels of democracy and life satisfaction is portrayed. People in democracies tend to be more satisfied with their lives than people living in less democratic societies. The correlation is stronger in the richer OECD countries, but it is also present in Non-OECD countries. The problems of measuring life satisfaction (and even more feelings of happiness) in developing countries could be one factor that depresses the relation somewhat outside the OECD countries; especially when it comes to the relationship between happiness and levels of democracy as is evident in the results. The main outcome, however, is that high levels of democracy on a bivariate basis is related to high levels of life satisfaction among OECD as well as among Non-OECD countries. For OECD countries the same is also true for happiness. Among OECD countries, the more democratically a country is run, the happier are its citizens.

In Tables 6 and 7 we use multiple regression to study whether the QoG variable (Government effectiveness) has an independent effect on levels of life satisfaction after we have controlled for the effects of the other relevant explanatory variables we have been discussing. The outcome is very clear. Quality of government has an independent and significant effect on levels of life satisfaction in all but two of our eighteen multivariate tests. The tests involve multiple regression runs and pairwise match-ups

between quality of government and the other explanatory variables among all relevant countries as well as separate runs among OECD and Non-OECD countries. The two instances where the QoG variable does not reach a significant effect pertain to Non-OECD countries and thus include problematic measures of life satisfaction as well as a very limited number of countries with relevant variances in the studied variables. Robustness tests involving elimination of just a few countries prove that the results are very sensitive and not robust at all.

Consequently, the main result is that quality of government has an independent impact on the life satisfaction of people in rich as well as in poor countries. The effect is especially pronounced in the richer OECD countries. The open question whether QoG also has an effect on subjective well-being in richer countries is thus answered. The answer is that it has.

Big government may be in contention, but good government is without doubt making people feel better. Effective government, the rule of law, bureaucratic impartiality and low levels of corruption make people happy and satisfied with their lives. Quality of government matters. It makes people happy.

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Table Appendix

Table 1 The Relationship Between Three Quality of Government Indicators and Feelings of Happiness and Life Satisfaction (r)

	Government Effectiveness	Control of Corruption	Government Impartiality
Happiness (All Countries)	+ .42	+ .46	+ .66
Happiness (OECD Countries)	+ .61	+ .62	+ .64
Happiness (Non-OECD Countries)	+ .20	+ .24	+ .10
Life Satisfaction (All Countries)	+ .66	+ .67	+ .70
Life Satisfaction (OECD Countries)	+ .71	+ .72	+ .57
Life Satisfaction (Non-OECD Countries)	+ .44	+ .48	+ .39

Comments: The three QoG variables are highly intercorrelated; about +.85 to +.90. The happiness and life satisfaction variables are also strongly correlated; +.73 in the sample of all countries, +.87 in the sample of OECD countries, and +.66 in the sample of Non-OECD countries. The happiness and life satisfaction measurements come from the World Value Surveys. All relationships are positive, meaning that higher QoG values (= higher quality) are linked to higher average values of happiness and life satisfaction in the selected countries. The maximum number of countries (n) is about 90 for the analyses with the Government Effectiveness and the Control of Corruption variables and 50 for the analysis with the Government Impartiality variable. The number of OECD and Non-OECD countries is about 30 and 60 respectively, in the first case and about 30 and 20 respectively, in the analysis with the Government Impartiality variable. The Government Impartiality variable is based on expert judgments collected by the QoG Institute for some fifty countries. See Teorell 2009.

Table 2 The Relationship Between Feelings of Happiness and Life Satisfaction and Three Economic Variables (r)

	GDP per Capita	Gini Index Reversed	Income Share of Poorest 20%
Happiness (All Countries)	+ .41	+ .00	- .28
Happiness (OECD Countries)	+ .58	- .00	- .14
Happiness (Non-OECD Countries)	+ .14	- .17	- .49
Life Satisfaction (All Countries)	+ .65	+ .20	- .26
Life Satisfaction (OECD Countries)	+ .62	+ .14	+ .10
Life Satisfaction (Non-OECD Countries)	+ .47	- .10	- .65

Comments: The correlation between GDP/capita and the reversed Gini Index (=high values indicate high economic equality) is +.47. Between GDP/capita and the Income share of poorest 20% variable (=high values indicate high economic equality) the correlation is +.28. The correlation between the two economic equality variables is +.73. The positive correlations between GDP/capita and happiness/life satisfaction mean that richer countries have more happy and satisfied populations. For the two economic equality variables, negative correlations mean that high equality tends to go with populations *not* being happy or satisfied with their lives.

Table 3 The Relationship Between Feelings of Happiness and Life Satisfaction and Two Health Indicators (r)

	Healthy Life Expectancy	Infant Mortality
Happiness (All Countries)	+.22	-.10
Happiness (OECD Countries)	+.42	-.10
Happiness (Non-OECD Countries)	±.00	+.10
Life Satisfaction (All Countries)	+.59	-.49
Life Satisfaction (OECD Countries)	+.46	-.35
Life Satisfaction (Non-OECD Countries)	+.44	-.37

Comments: The correlation between the two health indicators is -.93. Observe the negative sign. Countries with Healthy Life expectancy tend to have *low* Infant Mortality rates. The positive correlations between Healthy Life expectancy and happiness/life satisfaction mean that healthy populations tend to be happier and more satisfied with their lives. The negative correlations (with one exceptional positive one) between Infant Mortality rates and happiness/life satisfaction indicate that countries with low levels of infant mortality have more happy and satisfied populations.

Table 4 The Relationship Between Feelings of Happiness and Life Satisfaction and Two Trust Indicators (r)

	Interpersonal Trust	Confidence in Parliament
Happiness (All Countries)	+.17	+.22
Happiness (OECD Countries)	+.56	+.44
Happiness (Non-OECD Countries)	-.17	+.22
Life Satisfaction (All Countries)	+.33	-.10
Life Satisfaction (OECD Countries)	+.58	+.50
Life Satisfaction (Non-OECD Countries)	-.00	-.17

Comments: The correlation between the two trust/confidence variables is +.24. A positive correlation between any of the trust/confidence variables and happiness/life satisfaction means that nations with trusting populations tend to have happier people who are more satisfied with their lives.

Table 5 The Relationship Between Feelings of Happiness and Life Satisfaction and Importance of God and Post-Materialism (r)

	Importance of God	Post-Materialism
Happiness (All Countries)	+ .10	+ .55
Happiness (OECD Countries)	- .00	+ .66
Happiness (Non-OECD Countries)	+ .41	+ .40
Life Satisfaction (All Countries)	- .20	+ .67
Life Satisfaction (OECD Countries)	- .10	+ .63
Life Satisfaction (Non-OECD Countries)	+ .14	+ .54

Comments: The correlation between the Importance of God variable (=high values indicate that God is important) and Post-Materialism (=high values mean more post-materialism) is -.23. A positive correlation between the Importance of God variable and happiness/life satisfaction mean that countries with more religious people tend to have a happier and more satisfied population. A positive correlation between Post-Materialism and happiness/life satisfaction indicates that nations with post-materialistic populations tend to have happier and more satisfied people. The Importance of God variable as well as the Post-Materialism variable come from the World Value Surveys.

Table 6 Regressing Life Satisfaction on Quality of Government Controlling for Richness, Health, Democracy, and Values (regression coefficients)

	All Countries		OECD Countries		Non-OECD Countries	
	regr. coef.	std. err.	regr. coef.	std. err.	regr. coef.	std. err.
OoG / Government Effectiveness	.36*	.19	.63*	.32	.25	.26
GDP per Capita	.00	.00	-.00	.00	.00	.00
Healthy Life Expectancy	.03**	.01	-.07	.05	.03**	.01
Post-Materialism	2.19***	.51	1.51**	.72	2.62***	.69
Importance of God	.18***	.05	.09	.07	.22***	.07
Levels of Democracy	.02	.04	.40	.26	.02	.04
Constant	-1.10	1.16	3.54	3.26	-2.45	1.48
Adj. R-squared	.61		.57		.48	

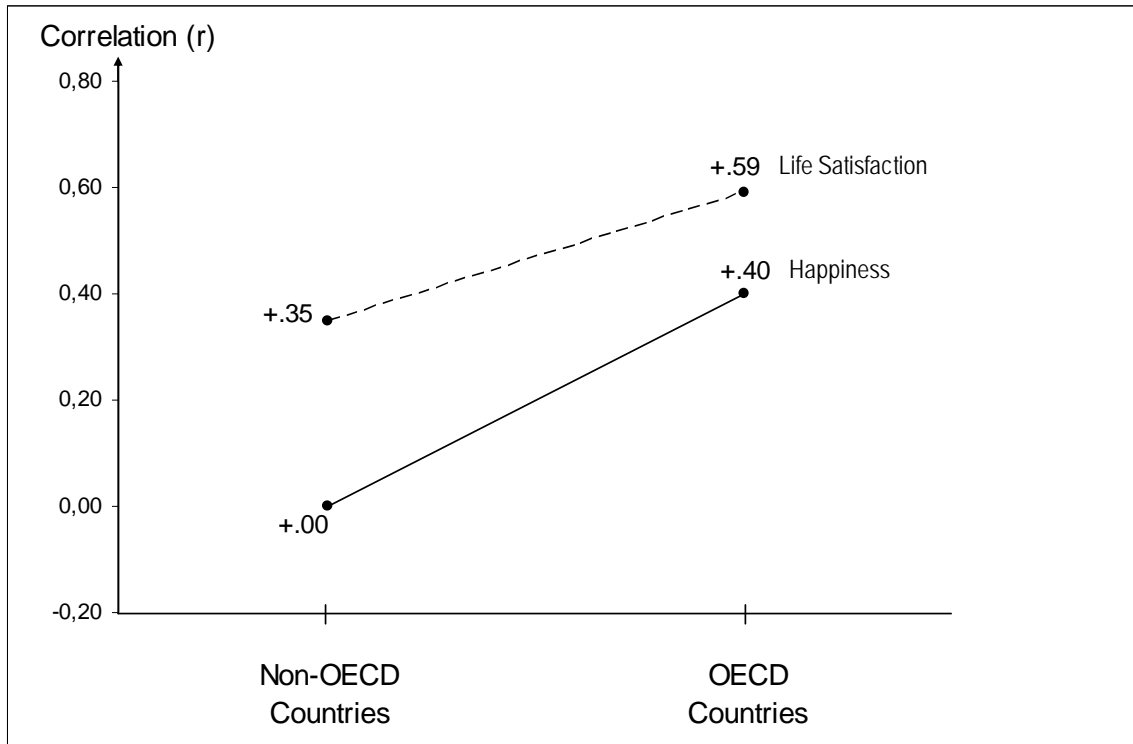
Comments: p>/t/= .01***; = .05**; = .10*. The total number of countries is 90 of which 30 belong to OECD and 60 are Non-OECD countries. The variables are presented in the Figure Appendix.

Table 7 Regressing Life Satisfaction on Quality of Government with Pairwise Match-Ups Between Quality of Government and Richness, Health, Democracy, and Religious and Post-Material Values (regression coefficients)

	All Countries			OECD Countries			Non-OECD Countries		
	regr. coef.	std. err.	adj. R ²	regr. coef.	std. err.	adj. R ²	regr. coef.	std. err.	adj. R ²
QoG / Government Effectiveness	.69***	.08	.42	.80***	.15	.48	.63***	.16	.19
Constant	6.25***	.09		6.09***	.25		6.24***	.13	
QoG / Government Effectiveness	.40**	.19		.68**	.27		.25	.28	
GDP per Capita	.00*	.00	.43	.00	.00	.47	.00	.00	.20
Constant	5.96***	.20		6.05***	.27		5.77***	.31	
QoG / Government Effectiveness	.50***	.12		.88***	.22		.40*	.20	
Healthy Life Expectancy	.03**	.01	.44	-.02	.05	.46	.03**	.02	.22
Constant	4.61***	.80		7.64*	3.12		4.34***	.94	
QoG / Government Effectiveness	.44***	.09		.58***	.17		.49***	.15	
Post-Materialism	2.46***	.49	.56	1.42**	.63	.54	3.04***	.67	.39
Constant	1.89**	.86		3.66***	1.11		.93	1.18	
QoG / Government Effectiveness	.88***	.10		1.00***	.17		.78***	.17	
Importance of God	.18***	.06	.47	.16**	.07	.55	.20***	.07	.26
Constant	4.81***	.45		4.83***	.59		4.60***	.62	
QoG / Government Effectiveness	.59***	.12		.69***	.24		.51**	.20	
Level of Democracy	.05	.04	.42	.16	.25	.47	.06	.05	.19
Constant	5.91***	.31		4.75**	2.21		5.86	.36	

Comments: p>/t/ = .01***; = .05**; = .10*. See Table 6.

Graph 1 The Relationship Between Levels of Democracy and Feelings of Happiness and Life Satisfaction (r)

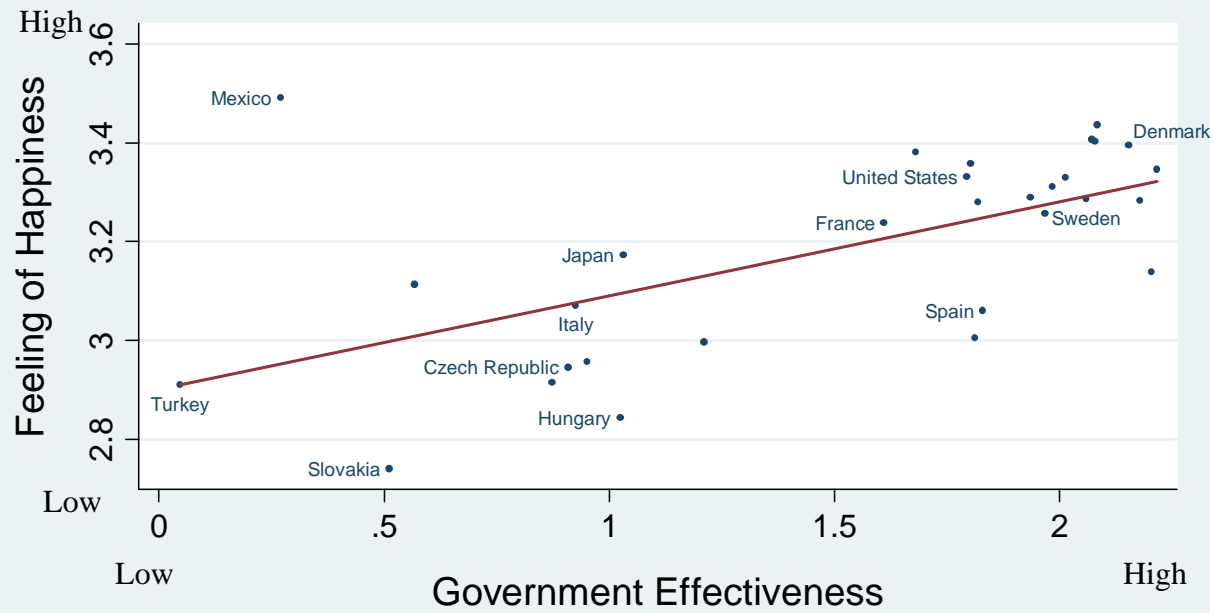


Comments: The Democracy variable is taken from Freedom House; the more democracy, the higher value. A positive correlation between the Democracy variable and happiness/life satisfaction mean that democratic nations have more happy and satisfied populations than less democratic nations. The correlations between degrees of democracy and feelings of happiness and life satisfaction among *all* countries are +.24 and +.52, respectively.

Figure Appendix

Figure 1

OECD: Feeling of Happiness vs. Government Effectiveness

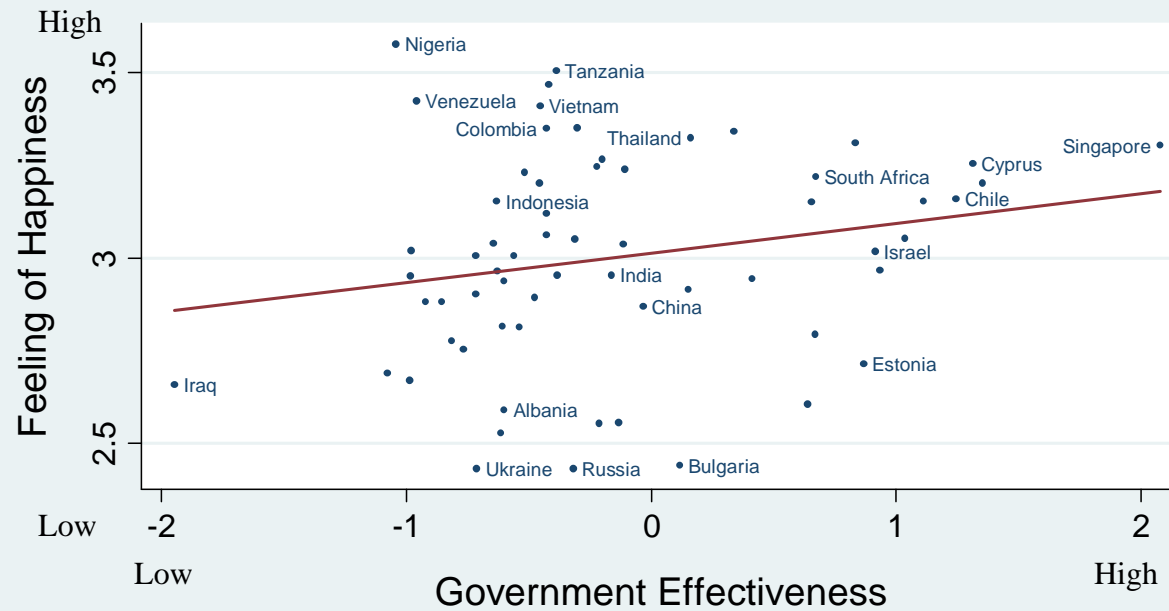


R-squared=0.37

Sources: World Values Survey (1999-2008), World Bank (2002)

Figure 2

Non-OECD: Feeling of Happiness vs. Government Effectiveness

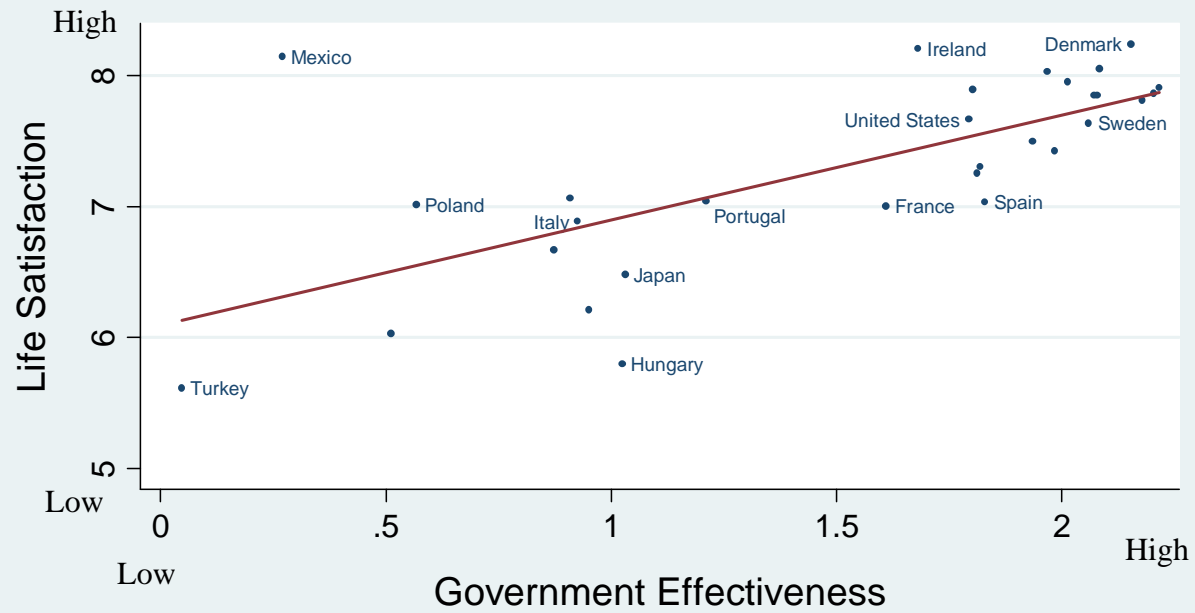


R-squared=0.04

Sources: World Values Survey (1996-2008), World Bank (2002)

Figure 3

OECD: Life Satisfaction vs. Government Effectiveness

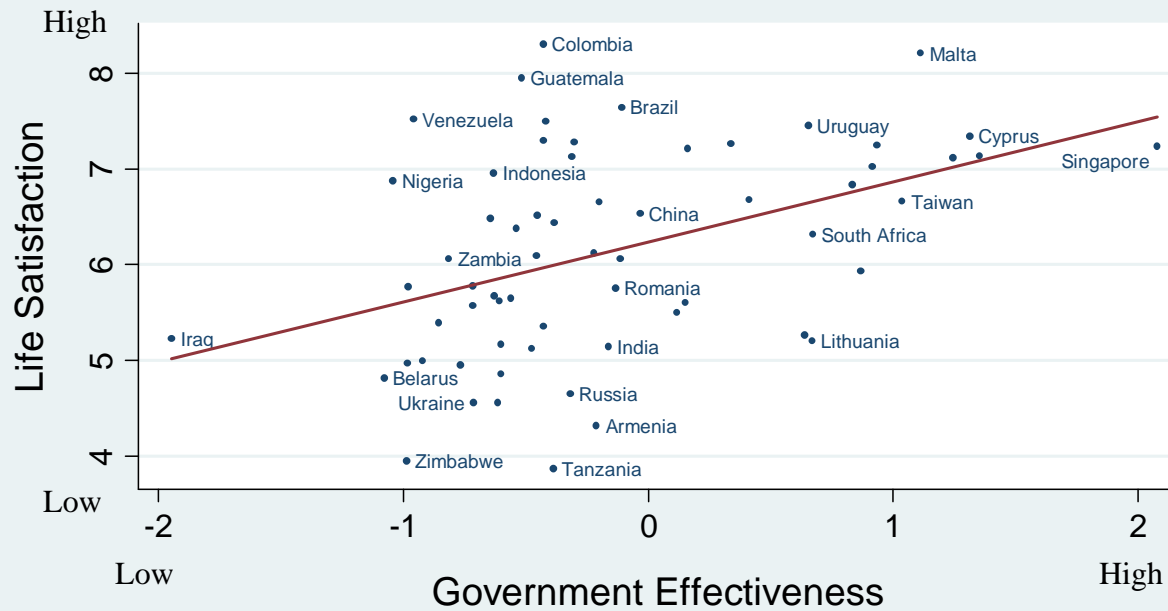


R-squared=0.50

Sources: World Values Survey (1999-2008), World Bank (2002)

Figure 4

Non-OECD: Life Satisfaction vs. Government Effectiveness



R-squared=0.19

Sources: World Values Survey (1996-2008), World Bank (2002)

Figure 5

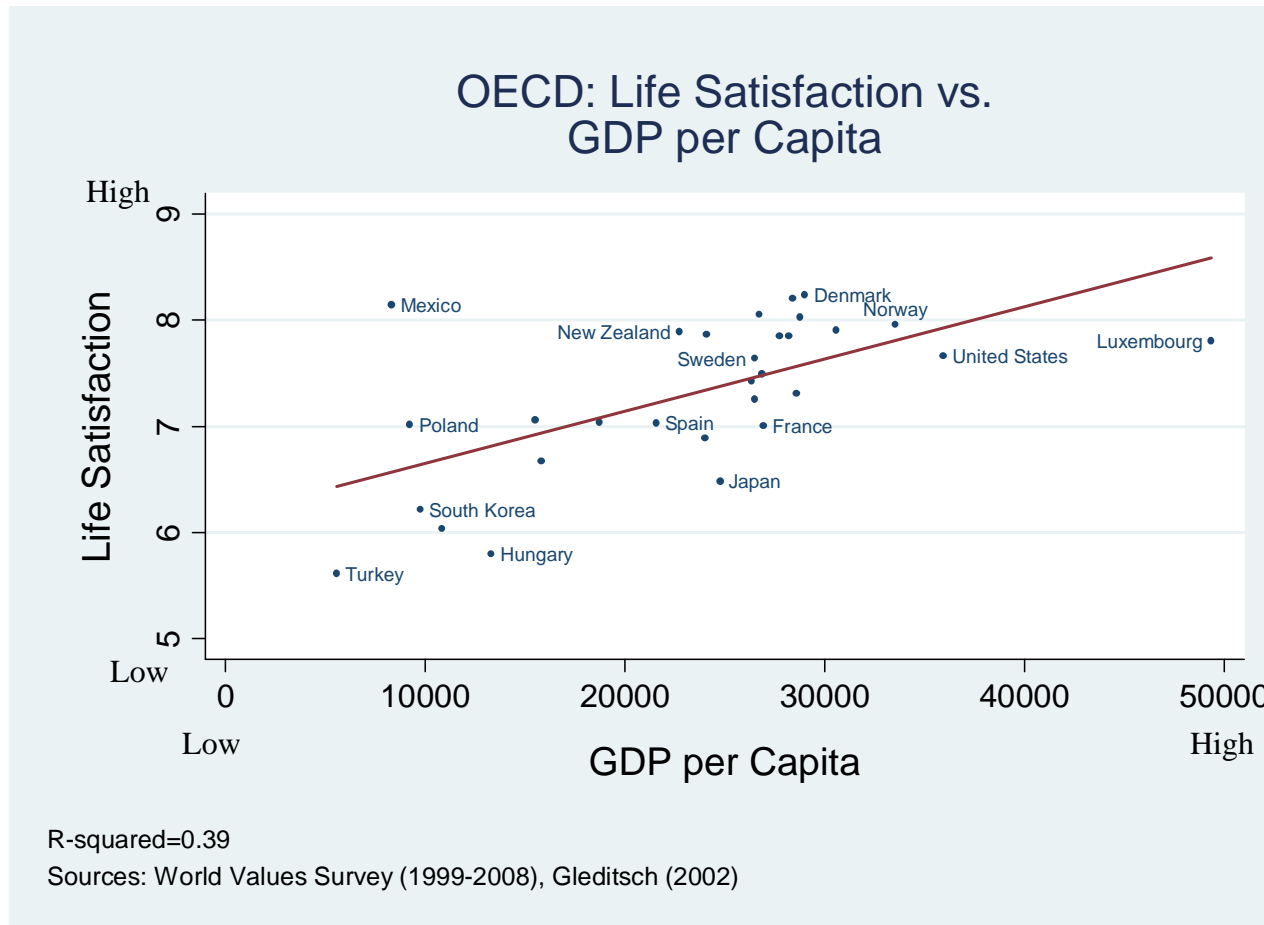


Figure 6

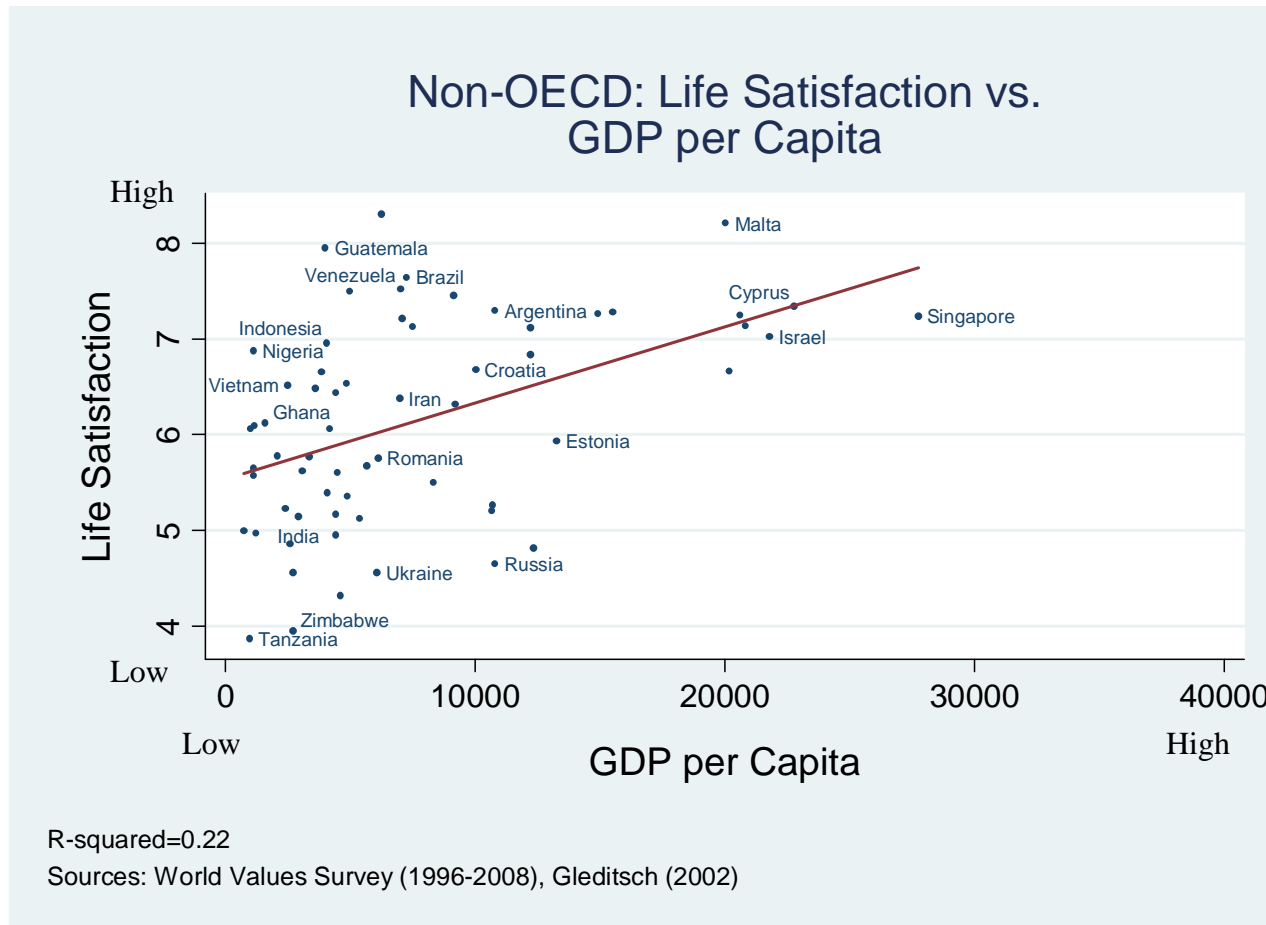
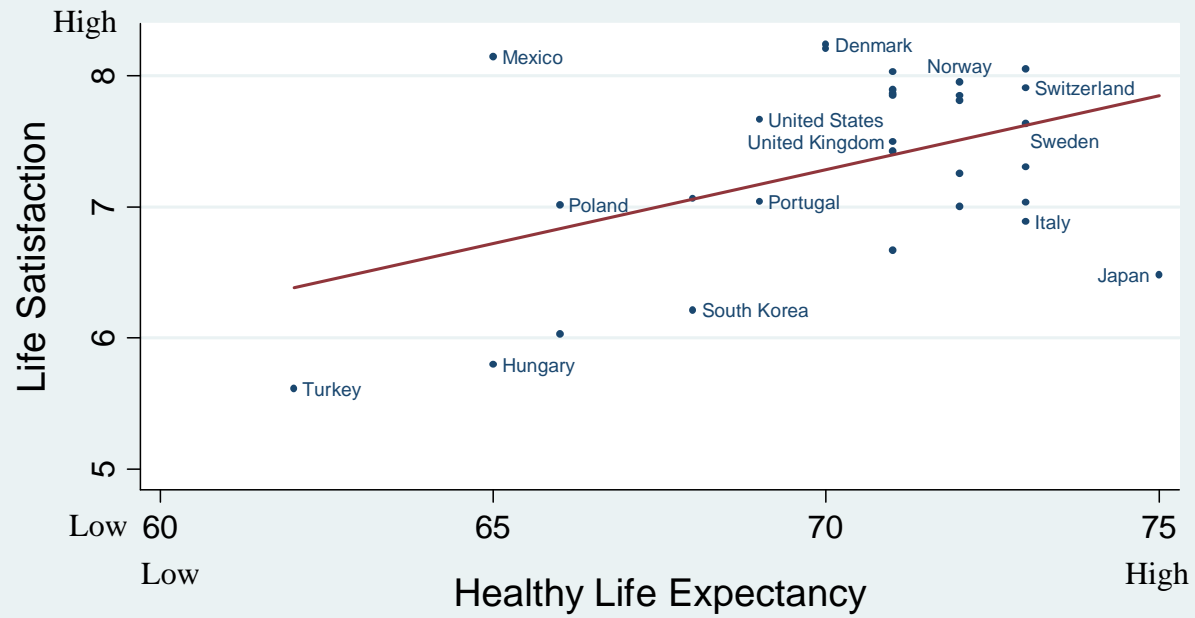


Figure 7

OECD: Life Satisfaction vs. Healthy Life Expectancy

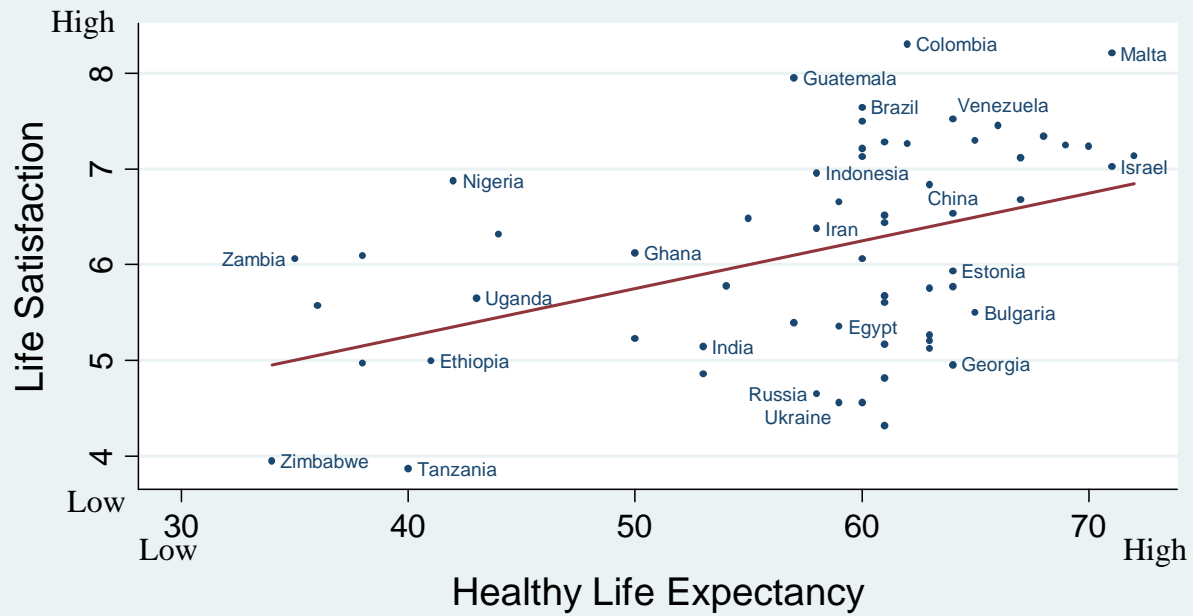


R-squared=0.21

Sources: World Values Survey (1999-2008), WHO (2003)

Figure 8

Non-OECD: Life Satisfaction vs. Healthy Life Expectancy



R-squared=0.19

Sources: World Values Survey (1996-2008), WHO (2003)

Figure 9

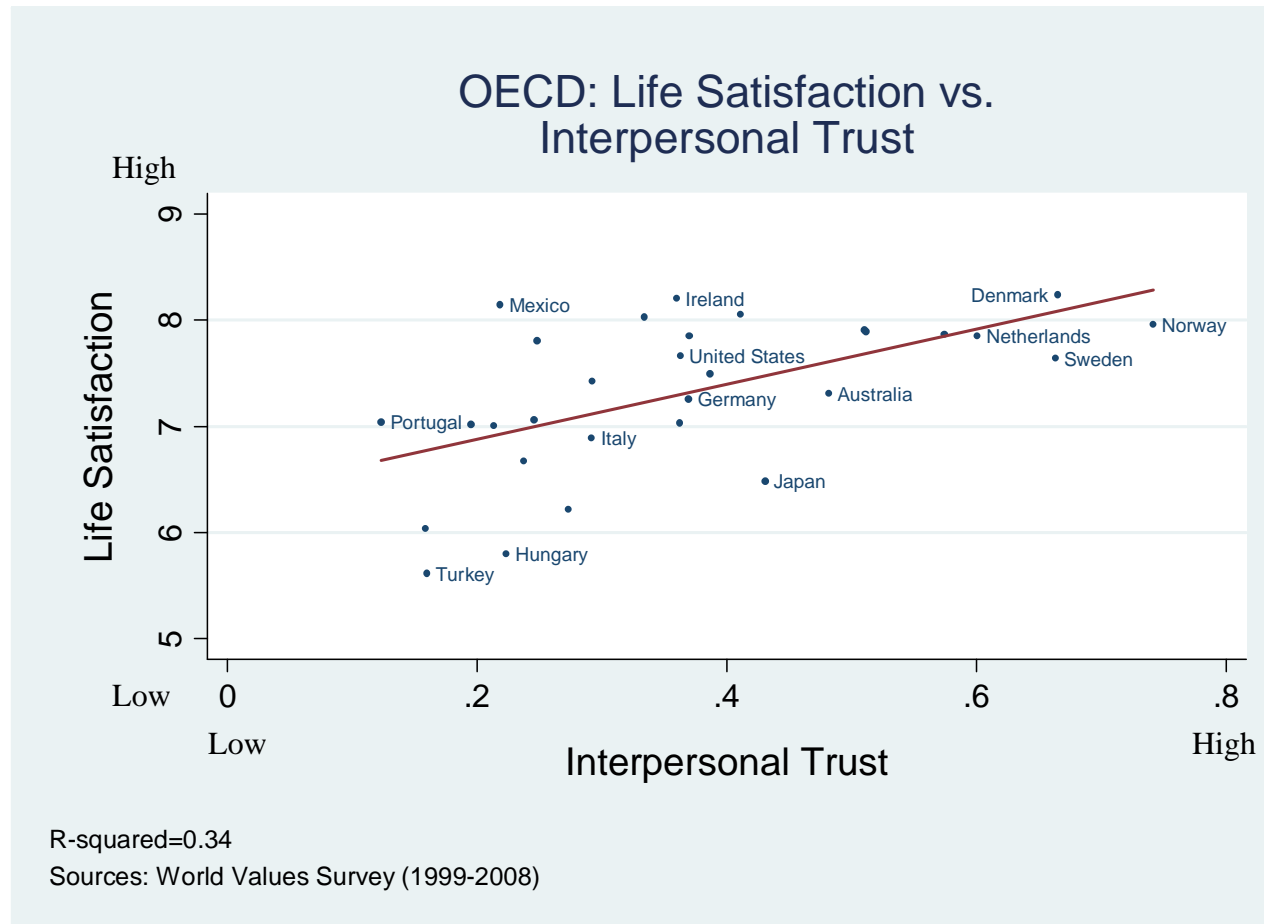
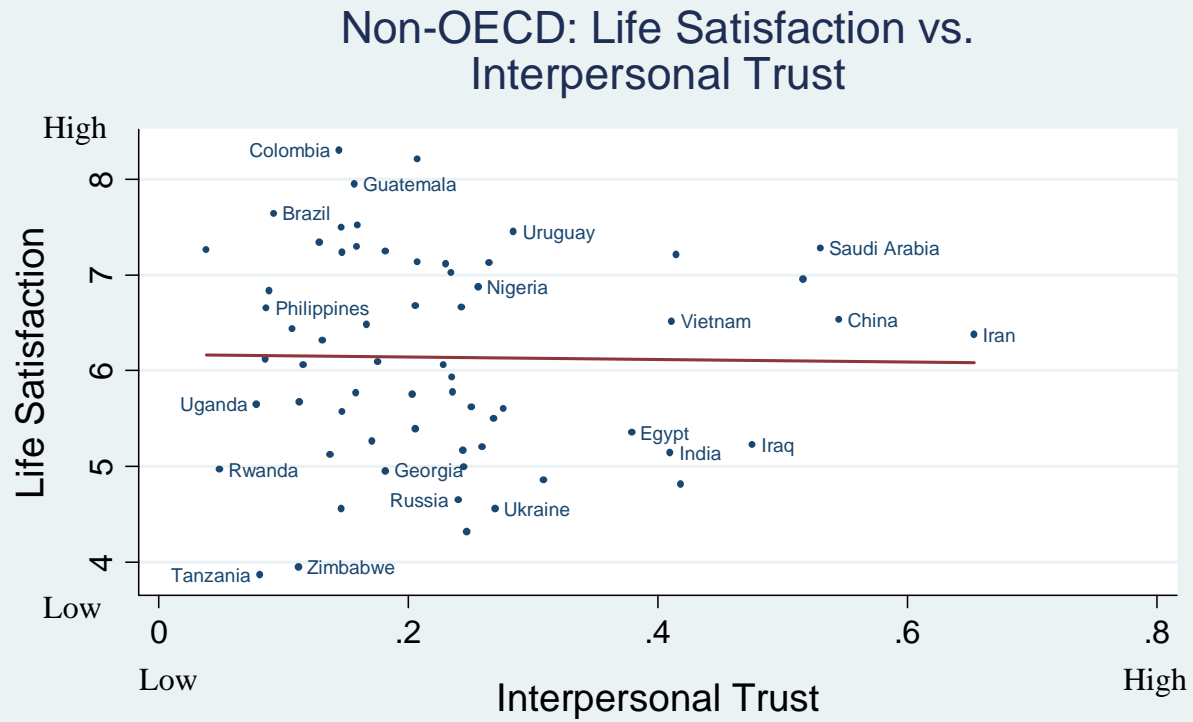


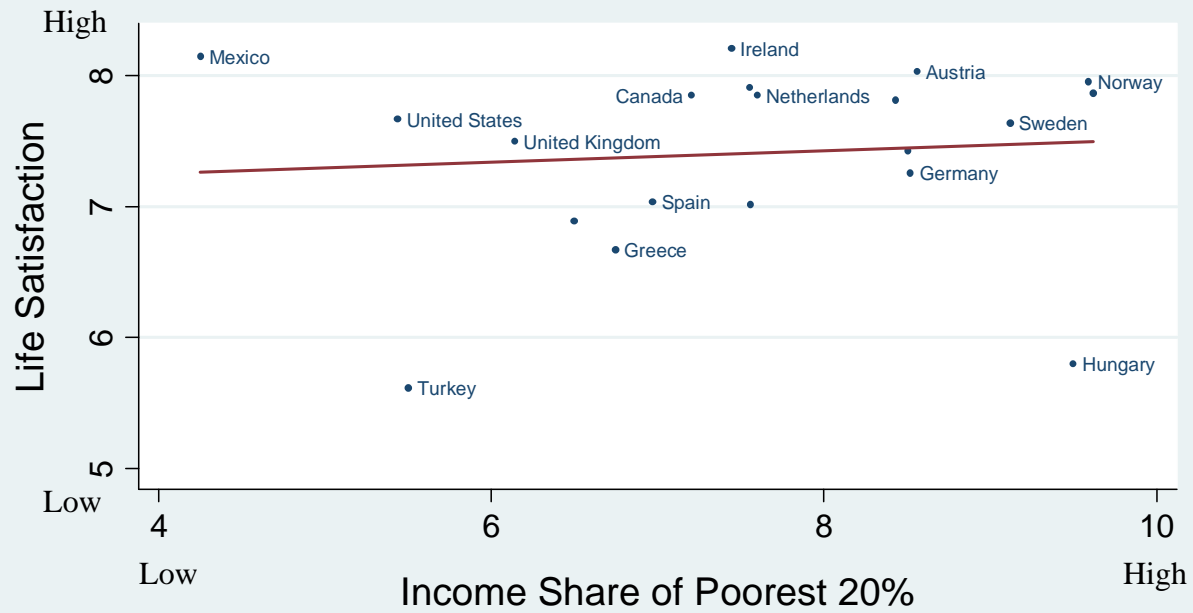
Figure 10



R-squared=0.00
Sources: World Values Survey (1996-2008)

Figure 11

OECD: Life Satisfaction vs. Income Share of Poor

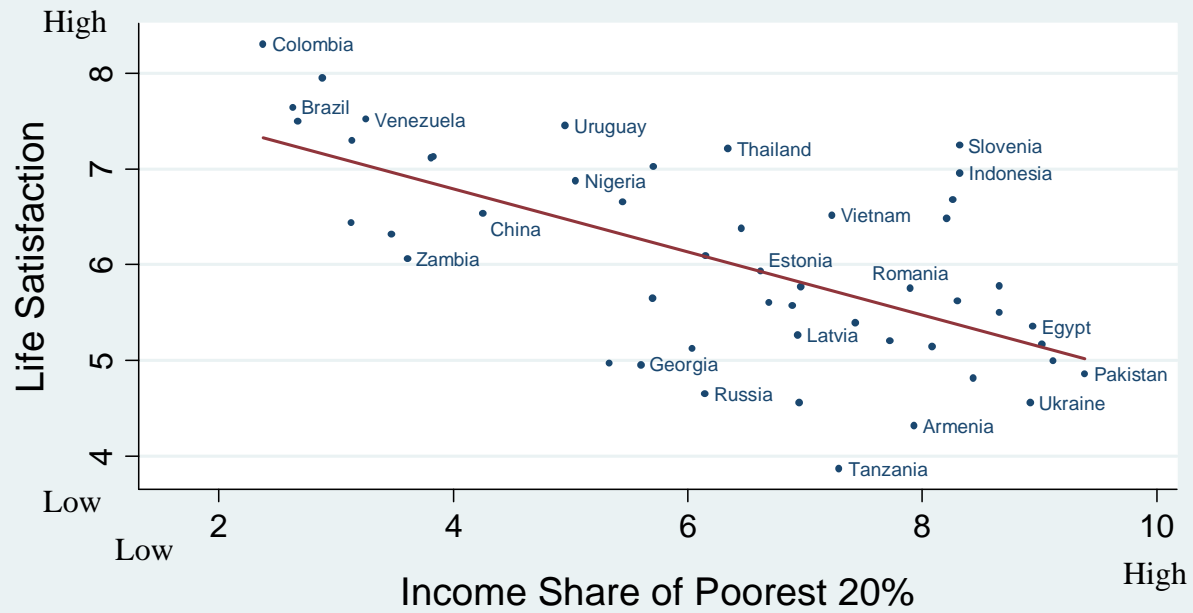


R-squared=0.01

Sources: World Values Survey (1999-2008), World Development Indicators (1999-2005)

Figure 12

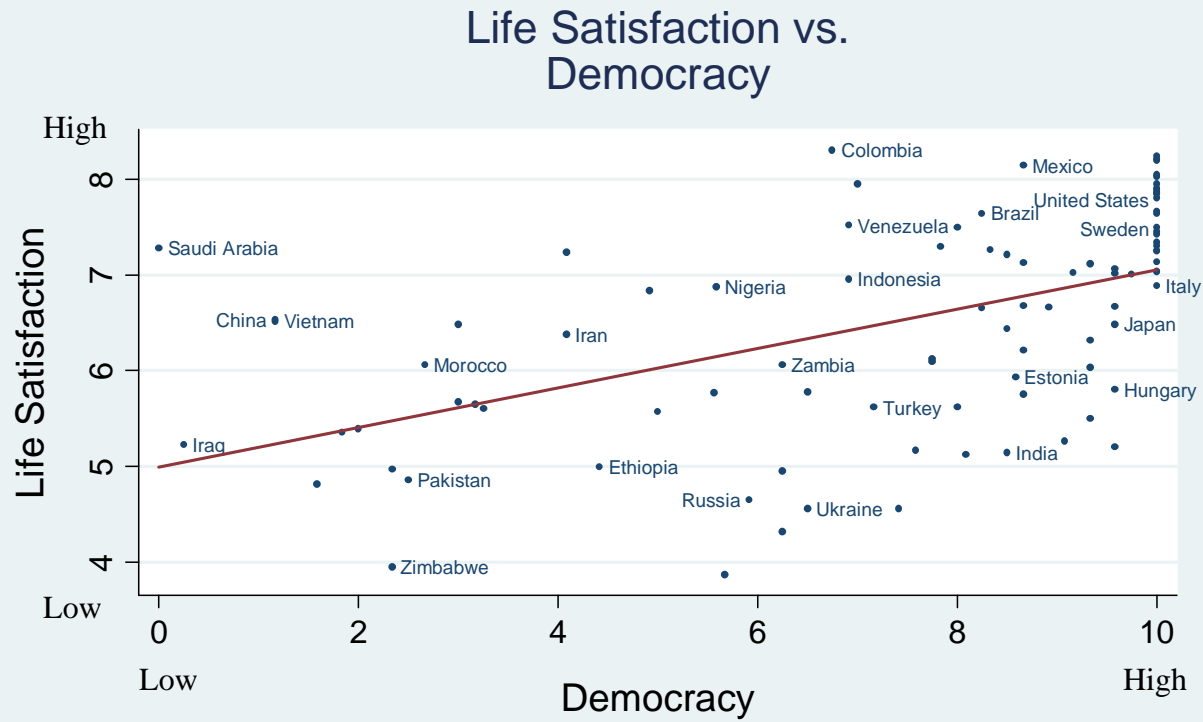
Non-OECD: Life Satisfaction vs. Income Share of Poor



R-squared=0.42

Sources: World Values Survey (1996-2008), World Development Indicators (1999-2005)

Figure 13

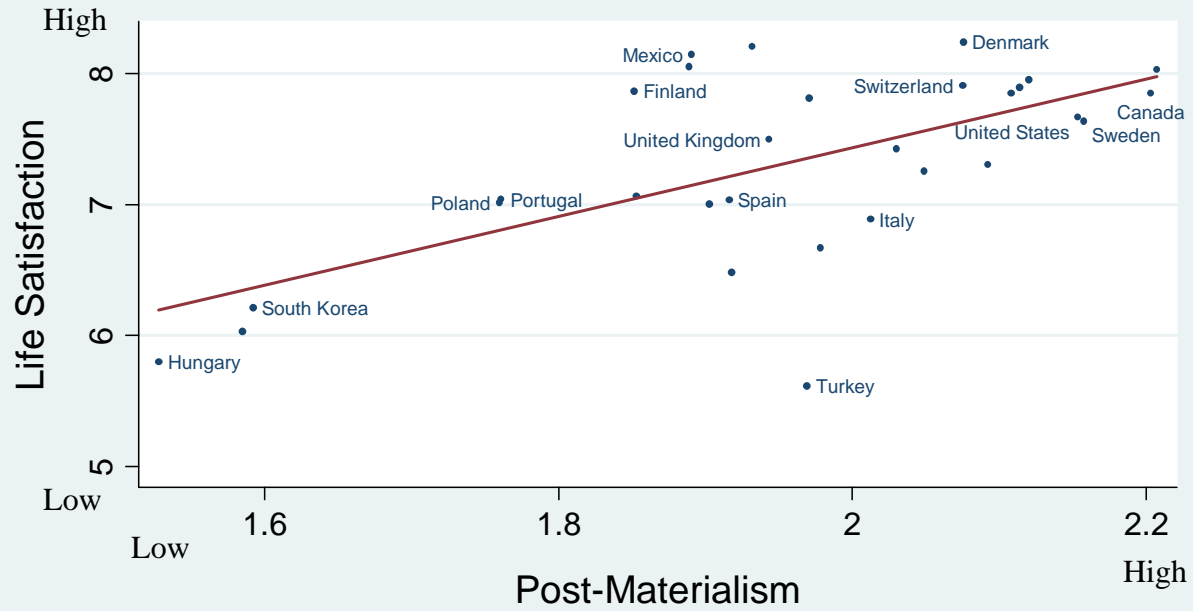


R-squared=0.27

Sources: World Values Survey (1996-2008), Freedom House/Marshall & Jagers (2000-2005)

Figure 14

OECD: Life Satisfaction vs. Post-Materialism



R-squared=0.40
Sources: World Values Survey (1999-2008)

Figure 15

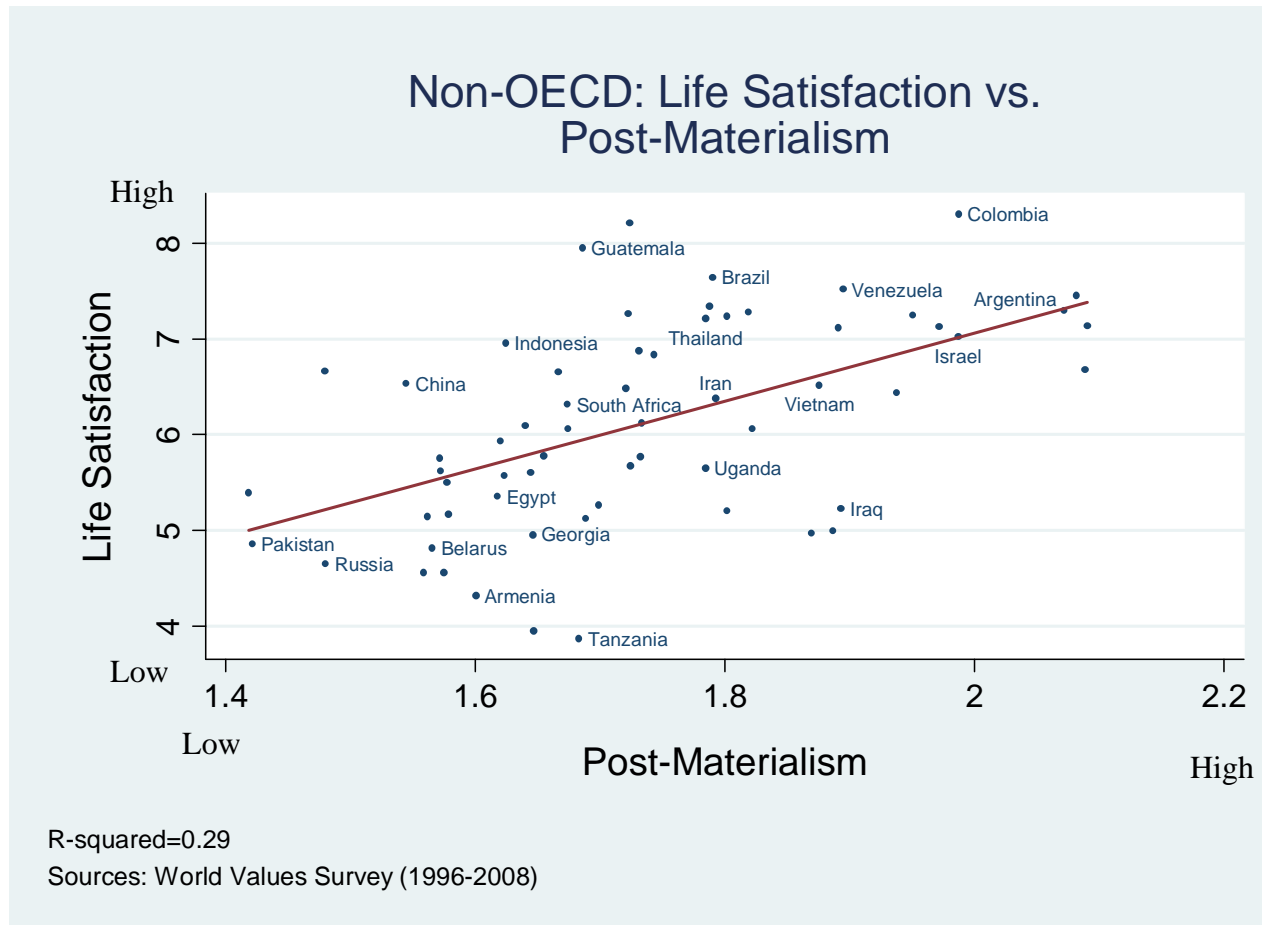
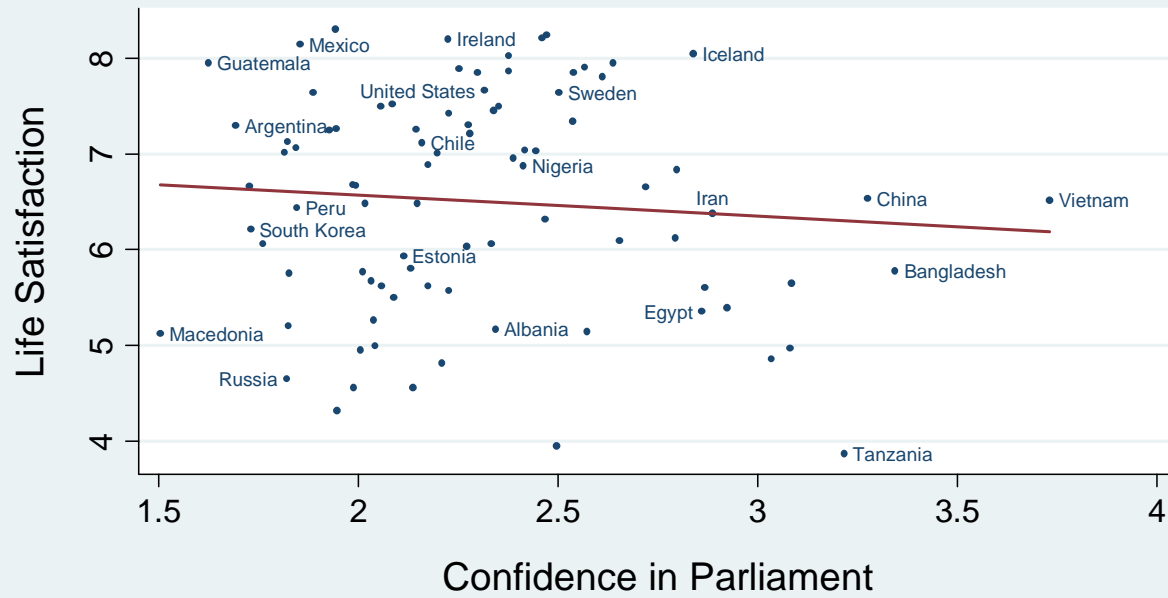


Figure 16

Life Satisfaction vs. Confidence in Parliament



R-squared=0.01

Sources: World Values Survey (1996-2008)