
POSSIBLE EFFECTS OF NATIONAL POPULATION HOMOGENEITY ON HAPPINESS

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ABSTRACT

This cross-country study investigates what influence, if any, different measures of homogeneity have on happiness. Using self-perceived life satisfaction as an indicator of happiness, data from 65 nations are analyzed with regression analysis. The results of the study indicate that income inequality and ethnic homogeneity are related to happiness. Other variables determined to be significant indicators of happiness include income levels (GDP per capita), inflation, and life expectancy.

INTRODUCTION

What leads to happiness? This question is one basis for every philosophical and ethical system. Extended to the political and economic realm, we are reminded of “life, liberty, and the pursuit of happiness” as inalienable rights in the Declaration of Independence. Happiness is the purported goal of most everyone, but finding an efficacious metric has proved elusive for researchers in fields such as psychology, sociology, economics, political science, and evolutionary biology. These past failures have not deterred researchers over the centuries.

Economists refer to “utility” as a happiness measure (See, e.g., Mankiw 2004). Jeremy Bentham and John Stuart Mill developed the concept of “utilitarianism” as aiming to maximize the greatest good for the greatest number (See Ekelund and Hebert 1990). Von Neumann and Morgenstern (1944) formulated game theory based on the premise that individuals and groups reach decisions in an attempt to maximize utility. The issue of systemic maximization of happiness obviously has ramifications in socioeconomic and legal/political realms.

A potentially related (and somewhat more easily measured) issue of interest is cultural homogeneity. How similar (or diverse) are the people in a given geographic area? Many past studies have focused on ethnic and linguistic (or ethnolinguistic), religious, or economic homogeneity (See, e.g., Masters and McMillan 2003). These studies overlap the aforementioned fields. In most cases, the homogeneity dimensions were considered separately. Recent studies have combined them to assess an overall level of homogeneity (See, e.g., Barrett and Couch 2006).

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Future investigations on homogeneity and happiness are needed to assess the aforementioned relationship between income inequality and life satisfaction. In addition, alternative measures of homogeneity (such as the “fractionalization” metrics of Alesina et al) may be employed. The Vanhanen indices used in the current study are adequate measures of homogeneity, but the fractionalization indices offer a greater degree of variation in heterogeneity. Other studies separately examining national homogeneity/heterogeneity are also warranted, as no study to date has assessed the relationships between the four separate dimensions (income, ethnic, linguistic, and religious) therein. Such inquiry should be of interest to virtually every social science.

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