

During class I did not mean to imply that we prefer the Happy Planet Index (HPI) only because it makes Latin American countries look good. We prefer it to happiness or GDP per person alone because corruption, sustainable growth, health and inequality of wealth or income all matter... (a light footprint is nice too...especially given the demonstrations Friday). Happiness is also important, and as Rojas (2018) LatAm countries do well in this regard as well. Finally (last and least) money matters up to a point, but not as reliably as one might think (hence the Easterlin paradox...). Asking Google search about the Easterlin paradox and it (they?) argue tells us “The *'Easterlin Paradox'* states that at a point in time happiness varies directly with income both among and within nations, but over time happiness does not trend upward as income continues to grow” This sounds intriguing but is too complicate for us right now, we have a single year’s Easterlin style comparisons of happiness and income rankings, perhaps a “cluster paradox” which may or may not involve the planet. The surprise is that a country like Costa Rica that has much lower income than the United States (for example) but much higher on happiness measures or on the NEP’s Happy Planet Index (see the 2018 World Happiness Report, WHP for the 2018 World Happiness Index).

LDQ 1.1 Use your case study country to focus on the nearby cluster of countries using the HPI and the WHI. In the spirit (if not the letter) of the Easterlin paradox check to see if your case study country (CSC) is happier than expected give its income. For example, Costa Rica’s cluster for the 2018 WHI includes Austria (83%) Ireland (125%) and Germany (84%). Here the numbers in parentheses is their countries per capita GDP per person in comparable \$2011 PPP prices. Compare to Costa Rica whose income is 28% that of the U.S.



Now do the same for the [Happy Planet index](#) where Costa Rica happens to be first in the world (see Lisa Gale Garrogues’ article in Yes Magazine explain why Costa Ricans are so happy: no Army, power 98% from renewable sources, ecotourism on nice beaches, well maintained rain forests etc.). However there is no Easterlin anomaly for this cluster. Costa Rica, Mexico and Colombia have similar incomes per capita. However, Costa Rica’s rank is way above the U.S. at #108, despite the fact that the U.S. has a much higher income.

Rank	Country	HPI	☺	❤️	⚖️	💡
1	Costa Rica	44.7	7.3	79.1	15%	2.8
2	Mexico	40.7	7.3	76.4	19%	2.9
3	Colombia	40.7	6.4	73.7	24%	1.9

Don’t give up however, check the HPI for a cluster paradox. Here is Honduras cluster. The Czech Republic has about the same HPI as Honduras but has much higher income: the Czech Republic is 60% of U.S. per capita GDP vs. a mere 8.3% for Honduras... Ethiopia PCY is 3.7% of U.S. GDP, but has a comparable HPI. What the HPI is that poor countries near the tropics have a very light ecological footprint... poverty is associated with low carbon, though some of these same countries have also invested in solar power and built up public transportation... Ethiopia and Rwanda as well as Costa Rica fits this description, though reliable electricity is essential for development (so we need to check their Doing Business scores).

64	Czech Republic	27.3	6.3	78.2	9%	5.2
65	Honduras	27.2	4.6	72.8	31%	1.7
66	Ethiopia	26.7	4.6	62.8	36%	1.0

Please look at the clusters (WHI and the HPI) does your Latin American country outperform other higher income countries? If yes, why (is it mainly the footprint, as with Costa Rica and the U.S. or its neighbors on the

list...Mexico and Columbia?). For Costa Rica is mainly happiness and health that help it outperform Mexico and Colombia, its inequality score is lower than both COL and MEX and Colombia has a lighter footprint...) Again, Honduras is low on happiness (4.6 red square) strong on footprint (just 1.7 compared to 5.2 for Czech Republic but just 1.0 for Ethiopia. So how does buying shirts from Honduras (Sean John?) or coffee from Ethiopia or Costa Rica affect the pace of climate change?.

LDQ 1.2A Cut and paste similar clusters for your country (Honduras is done more or less, thank you for choosing Honduras, the red flag for HND is happiness, take a look at its score for 2018 or 2019 in more detail). Use your comparator countries as a clusters too (from HW #1) Here is an example for Costa Rica with your case study, and discuss where your country is strong (dark green) and where it is weaker (red or light green or

LDQ 1.2) In Chapter 6 of the [2018 World Happiness Report](#) **Professor** Mariano Rojas argues “*Latin Americans report high happiness levels. Positive-affect scores are substantially high both in comparison to other countries in the world and to what income levels in the region would predict. Latin Americans’ evaluation of life is also above what income levels would predict. It is clear that there is more to life than income and that there is something to learn from the Latin American case about the drivers of happiness (page 166, WHR 2018).* What does Rojas mean “Positive-affect scores” and overall life evaluation (LE) refer to (see Figure 6.1 which shows Costa Rica LE score of 7.15 above the West European LE of 6.95 and just below the “Anglo Saxon” LE score of 7.38, even w/o adjusting for what?) (Figure 6.3 shows most IE scores are higher than expected in LatAm, except in the DR, lets discuss this Figure in class...).

Data Sources for HW2

Table 2.2 World Happiness Report Rankings 2018 and 2019 with scores from 2018 WHR2018Chapter2OnlineData.xlsx see also for this pdf which has a Figure with 2018 Happiness scores

TableA_5WorldHappinessRankings2018.pdf

Table A-4 Happy Planet Index (HPI) pasted into a spreadsheet TableA_4_Nef2016HappyPlanetIndex.xlsx

For all the rankings and more explanation see, The Happy Planet Index 2016 Briefing Paper available in pdf here and here

http://www.gdsnet.org/TableA_5Happiness2018Explained.pdf

http://www.gdsnet.org/TableA_5WorldHappinessRankings2018.pdf

<http://www.gdsnet.org/WEO2019IncomePerPersonPPP.pdf>

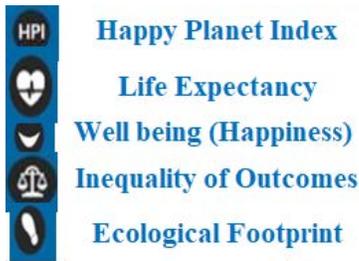
http://www.gdsnet.org/TableA_4_Nef2016HappyPlanetIndex.xlsx

http://www.gdsnet.org/TableA_4_Nef2016HappyPlanetIndex.xlsx

References:

- Allison Aubrey (2017) [Global Ranking Of Happiness Has Happy News For Norway And Nicaragua](#). NPR All things Considered, Goats and Soda, March 20th 6:11pm
- Fernandez, Raquel. "Alfred Marshall Lecture: Women, work, and culture." *Journal of the European Economic Association* 5, no. 2-3 (2007): 305-332. [Journal copy from PSU](#) or search for NYU-CEPR Discussion Paper No. 6153 (not that different) Raquel Fernández, March 2007 (cited by 429 articles listed in Google scholar)
- Jeffrey, K., Wheatley, H., & Abdallah, S. (2016). The Happy Planet Index 2016: A global index of sustainable wellbeing. London: New Economics Foundation. [Nef2016HappyPlanetIndexBriefingPaper.pdf](#)
- NEP, (2019) [Why we need a Happy Planet Index?](#)
- Rojas, Mariano (2018) Happiness in Latin America has Social Foundations, [chapter 6](#) in Sachs, Jeffrey D., Richard Layard, and John F. Helliwell. Eds. [World Happiness Report 2018](#). No. id: 12761. 2018.
- Sachs, Jeffrey D., Richard Layard, and John F. Helliwell. [World Happiness Report 2018](#). No. id: 12761. 2018.
- Garroques, Lisa Gale (2019) [Why Costa Rica Tops the Happiness Index](#) (How a focus on peace is helping this Central American country top the Happy Planet Index) [Yes Magazine](#) ([Journalism for People Building a Better World](#), inspiration in your Inbox) or [see this pdf copy](#) if the above url does not work.

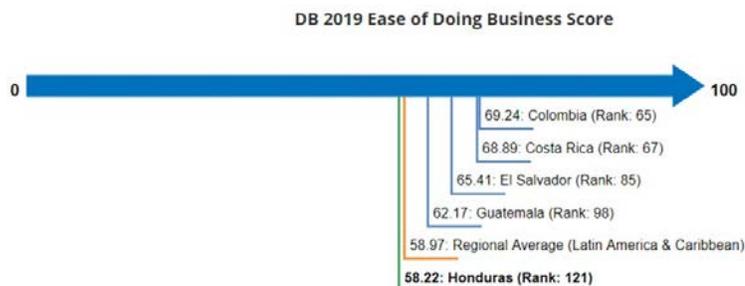
LDQ 1.4 A) Here is the data used for the 2018 rankings, where does your case study country rank, did it move up or down in the rankings between 2018 and 2019? Does this or any of up our down moves in happiness scores make sense? Did your case study country happiness score increase or decrease between 2018 and 2019? B) Compare the happiness of immigrants and those born outside your country, is there any difference, are immigrants (foreign born) happier that locals? Significantly different or virtually the same (look at the low and high whisker to get a range of insignificant changes...)



Jeffrey, K., Wheatley, H., & Abdallah, S. (2016). The Happy Planet Index 2016: A global index of sustainable wellbeing. London: New Economics Foundation. [Nef2016HappyPlanetIndexBriefingPaper.pdf](#)

<https://www.doingbusiness.org/en/rankings?region=latin-america-and-caribbean>

Doing business cluster (comparator countries for Honduras)



HDI Inequality adjusted live expectancy <http://hdr.undp.org/en/content/inequality-adjusted-life-expectancy-index>