



Unhappy Development: Happiness in the Wake of the Arab Spring



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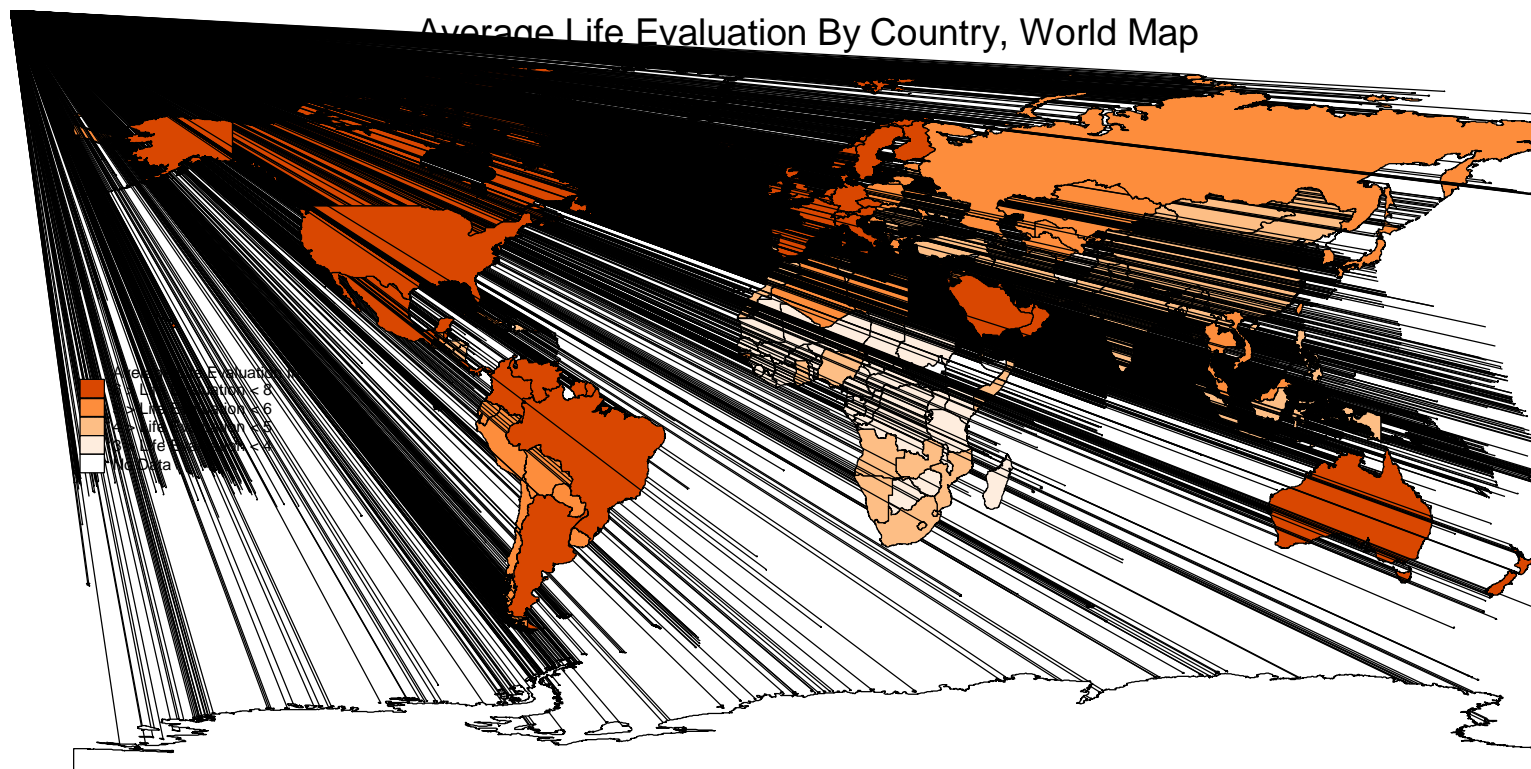
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European Launch World Happiness Report, Rotterdam



Unhappy Developing MENA

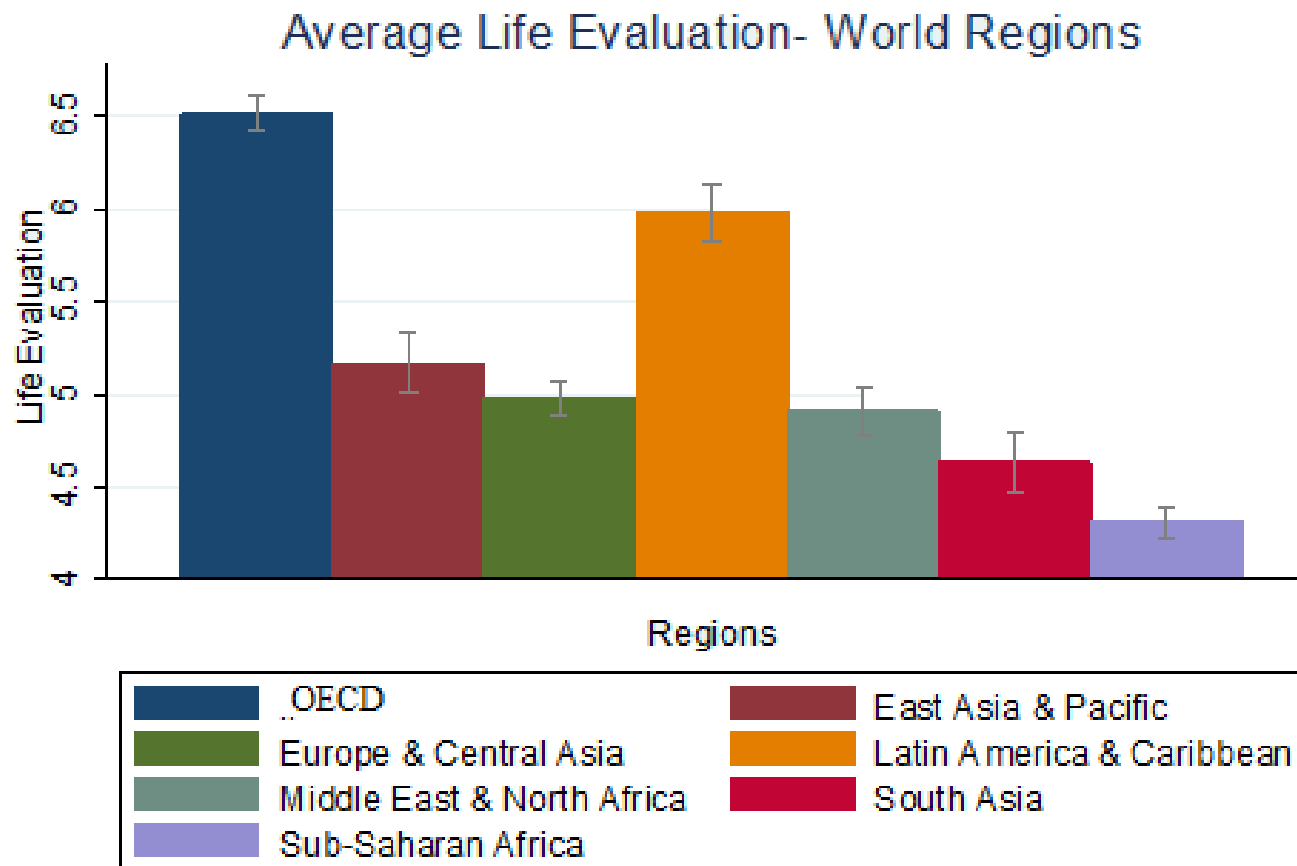
Average Life Evaluation By Country, World Map



Based on Gallup World Poll (2006-2012), Cantril's Ladder



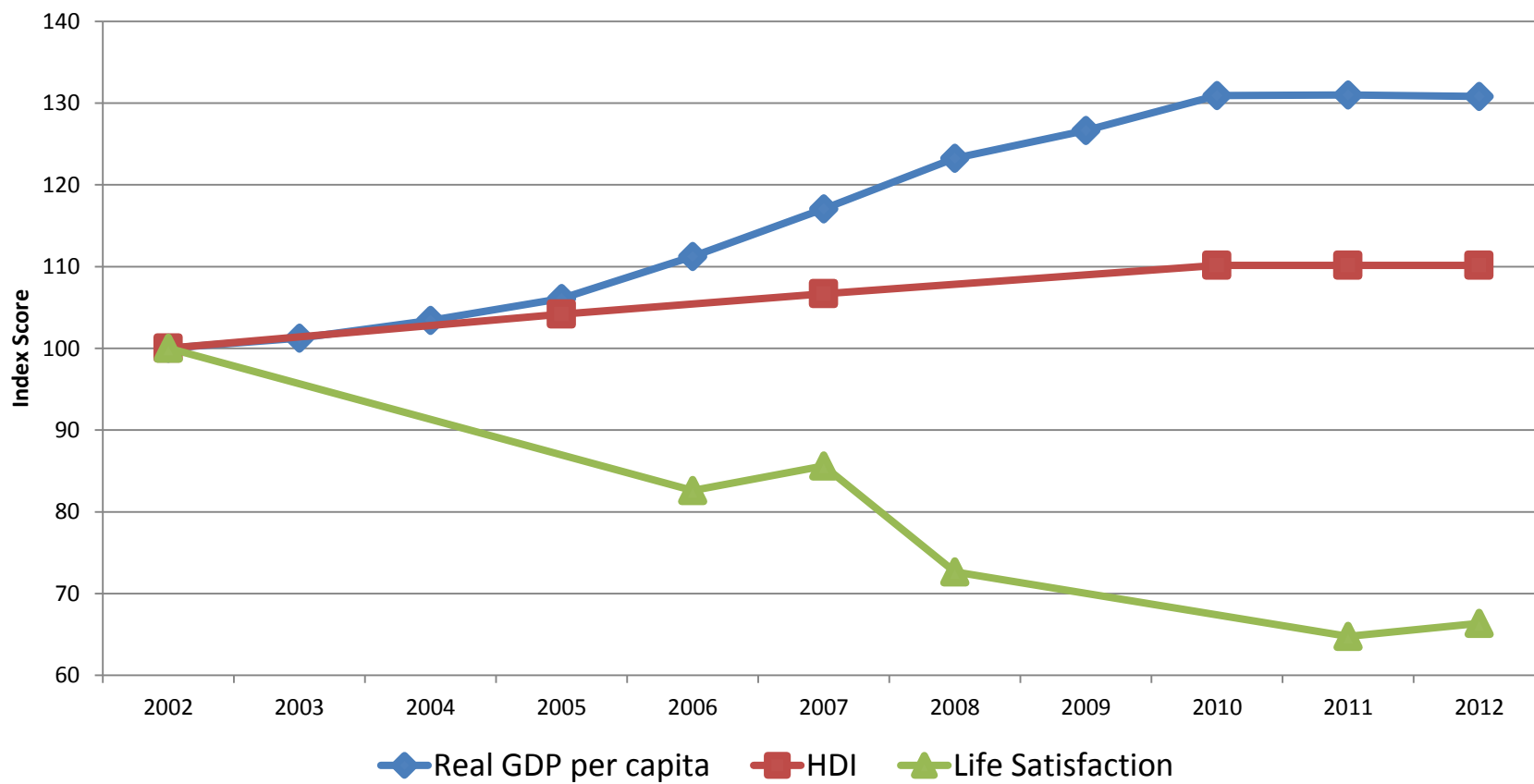
MENA among the Least Happy Places





Happiness Deteriorated in the 2000s before the Arab Spring

Real GDP per Capita, HDI, and Life Satisfaction in Egypt, 2002-2012 (2002=100)





Motivation and Goal

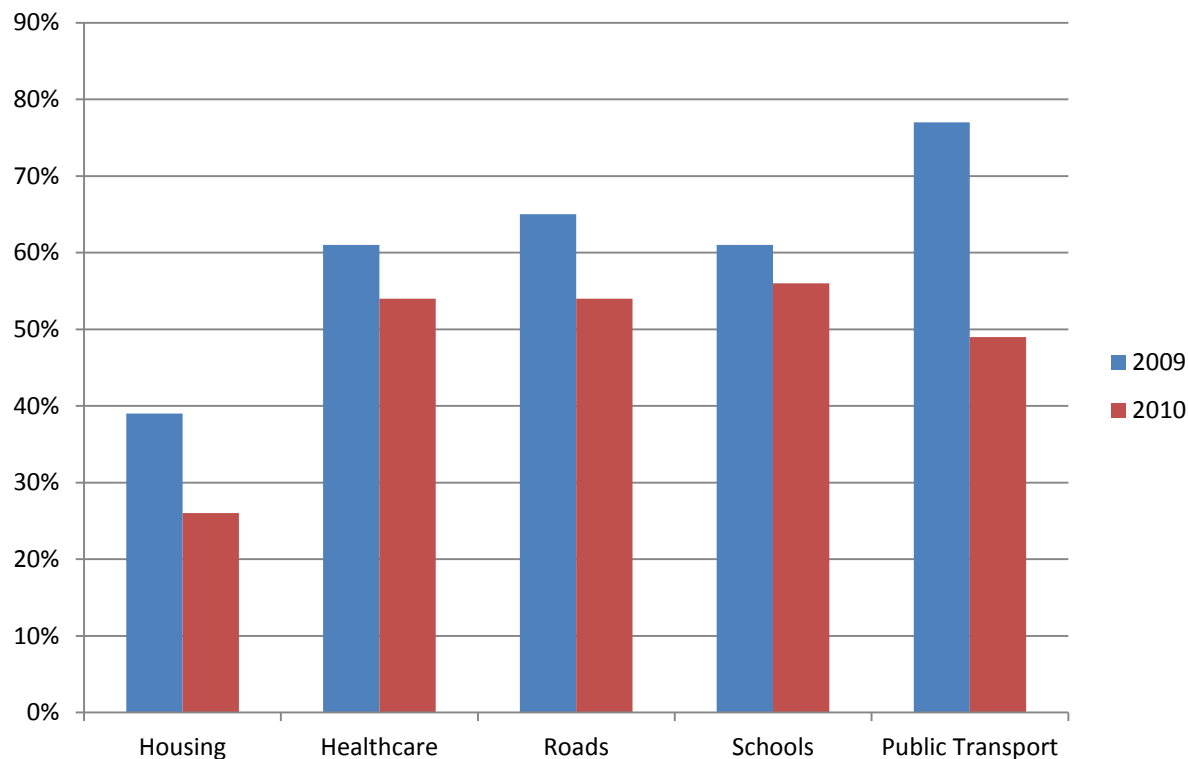
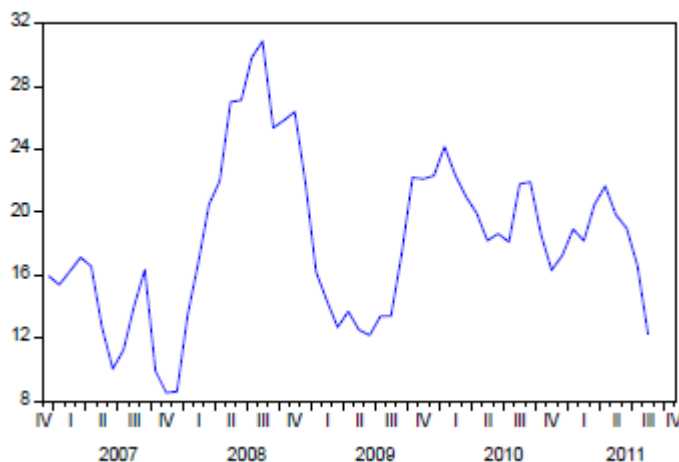
- **Need** for understanding the ‘unhappy development’ in MENA.
- **Goal of this study**: Examine which frustrations are associated with dissatisfaction in developing MENA in the wake of the Arab Spring (2009-2010).
- **Contribution**: First study to empirically examine the relative importance of the different explanations provided for the unhappiness in developing MENA.



Rising Expectations along with Frustrations: Basic Services

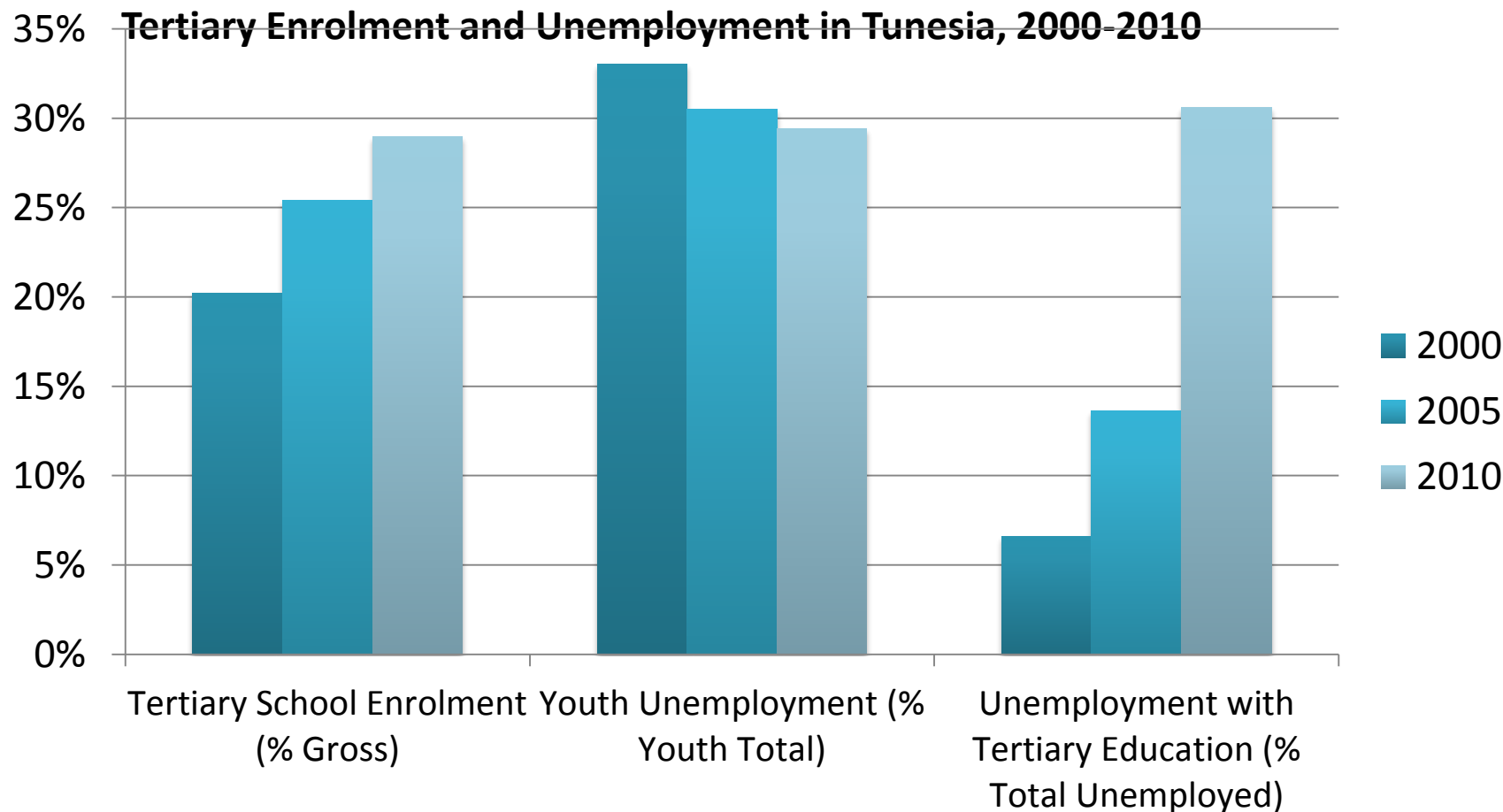
Inflation of food prices and dropping satisfaction rates for basic services in Egypt

Egypt





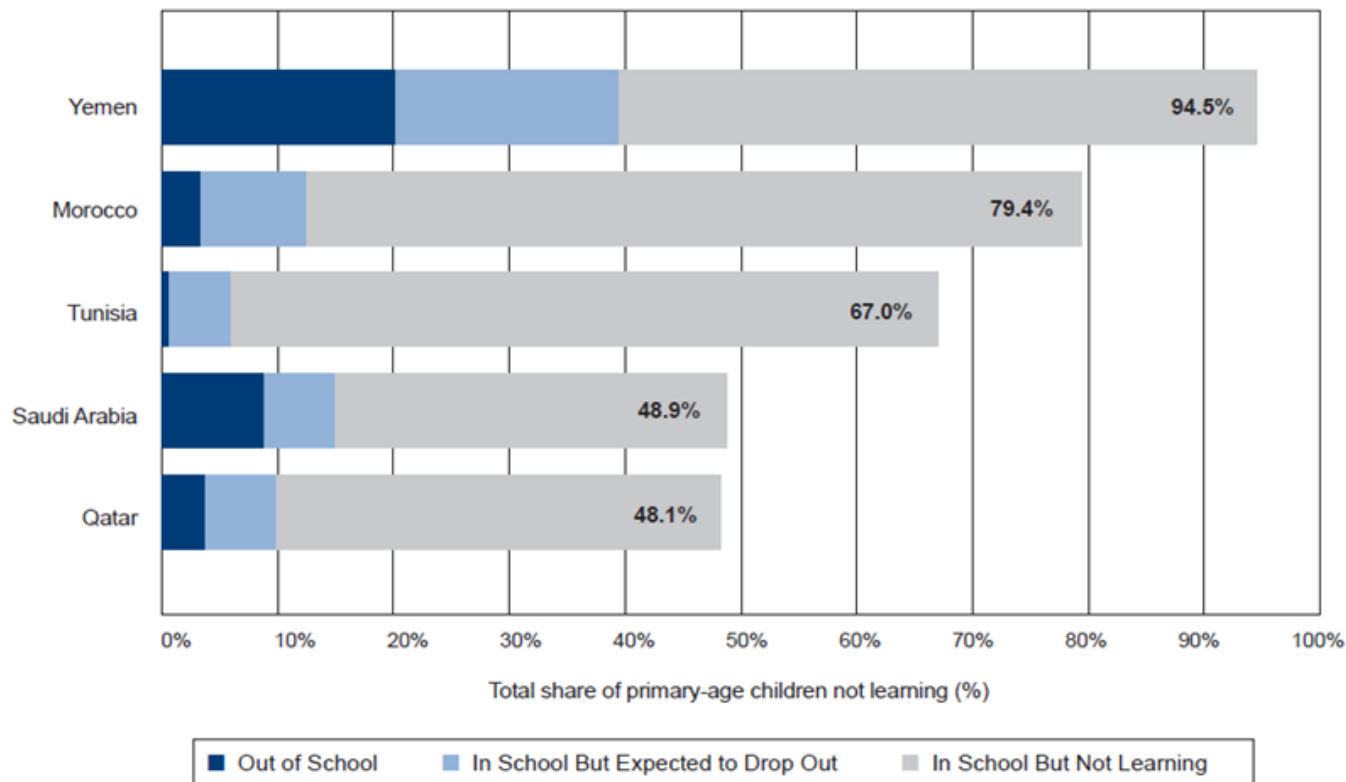
Rising Expectations along with Frustrations: Good Jobs





Rising Expectations along with Frustrations: Quality of Primary Education

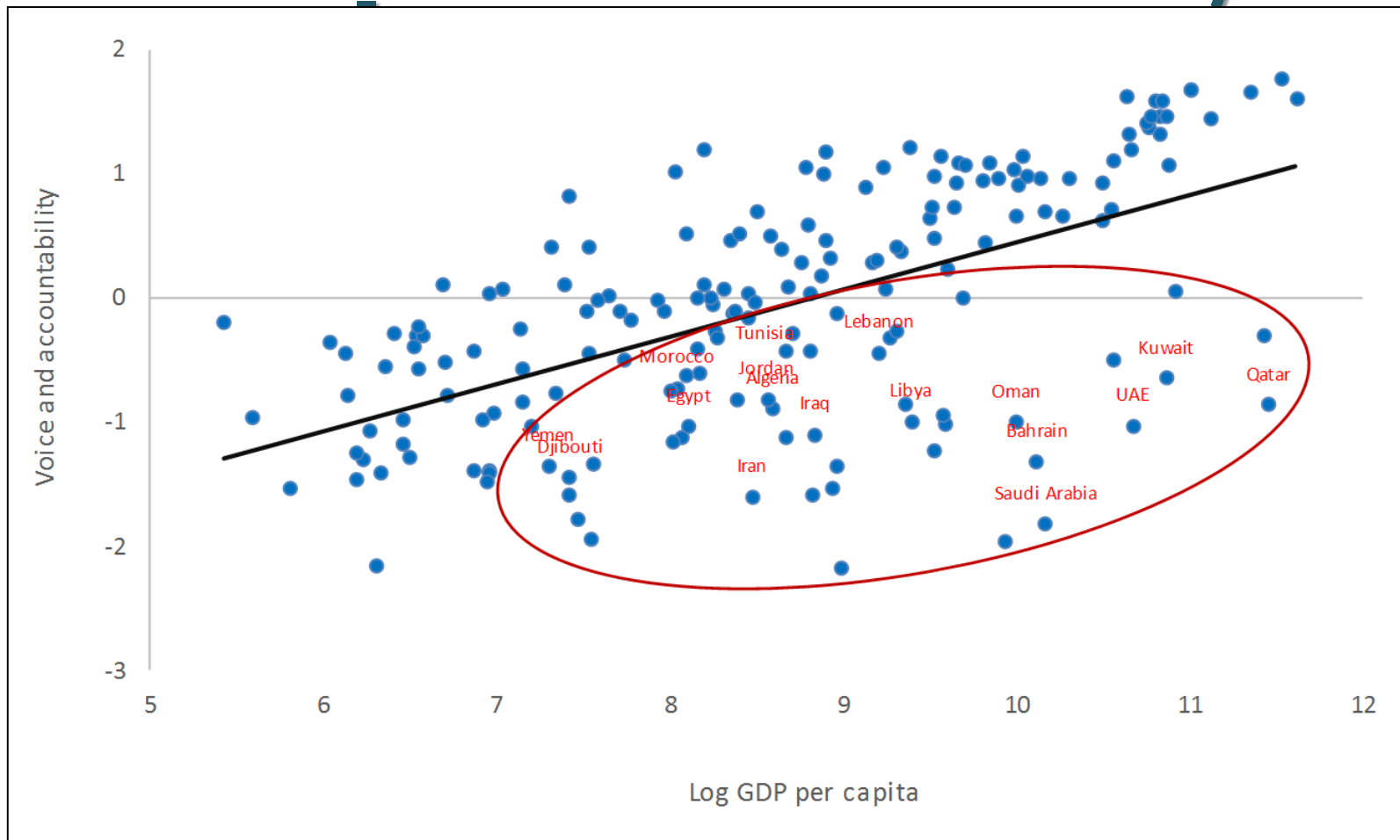
Total Learning Deficit for Primary-Aged Children, Available Countries, 2011



Source: Calculations based on UNESCO Institute for Statistics database and TIMSS (numeracy) and PIRLS (literacy) data (Mullis et al. 2012a, 2012b).

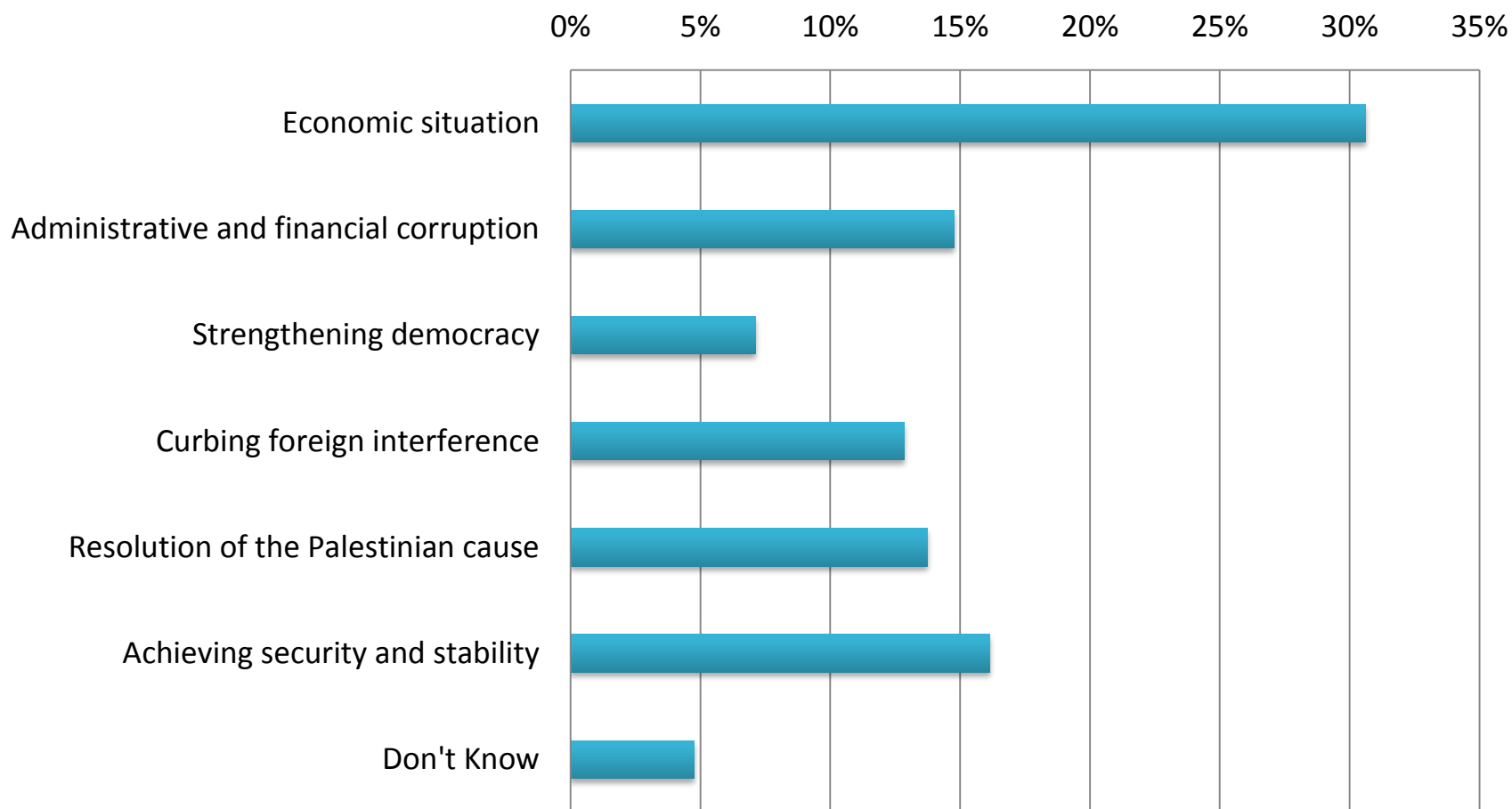


Rising Expectations along with Frustrations: Limited Voice and Accountability





Biggest Challenges for the Arab World according to MENA Population in 2010



Source: Arab Barometer (2010)



Why So Unhappy? Some Hypotheses

- Rising prices for basic needs resulting in dissatisfaction with standards of living.
- People's aspirations failed and they blamed the autocrats who ruled.
- Reaction to growing cronyism and corruption.
- People demand other things (e.g. freedom) once a certain level of development is met.
- Reaction to foreign policy and Westernization.



Data and Econometric Analysis

- Gallup World Poll data on subjective well-being and perceptions in developing MENA countries just before the start of the Arab Spring (2009-2010).
- 10 countries: Algeria, Egypt, Iraq, Lebanon, Libya, Morocco, Syria, Tunisia, West Bank and Gaza, and Yemen
- 16,946 respondents for which we have sufficient information.

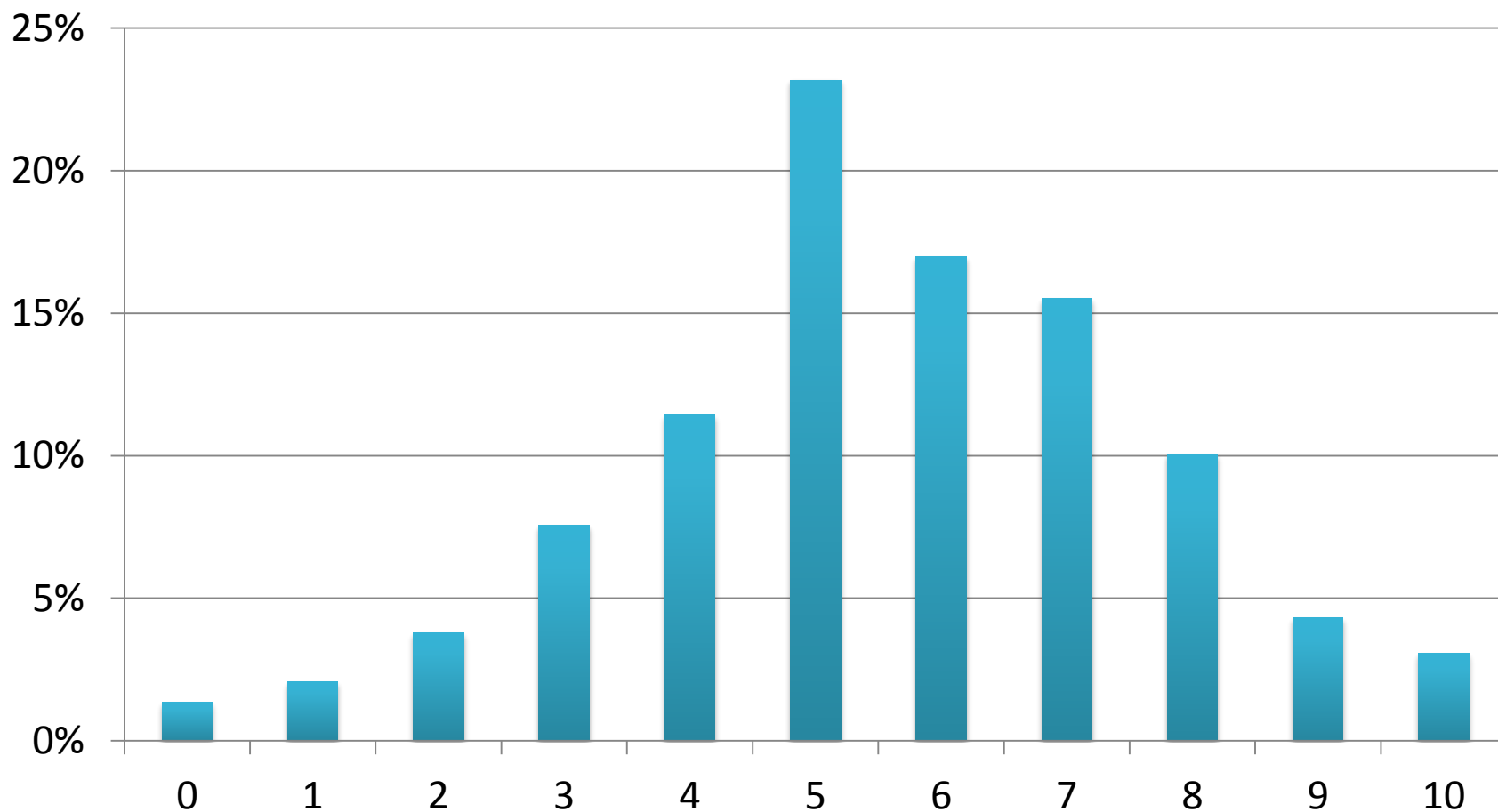


Data and Econometric Analysis

- Dependent variable: Cantril's ladder
 - *Please imagine a ladder, with steps numbered from 0 at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?*



Happiness in Developing MENA in 2009-2010





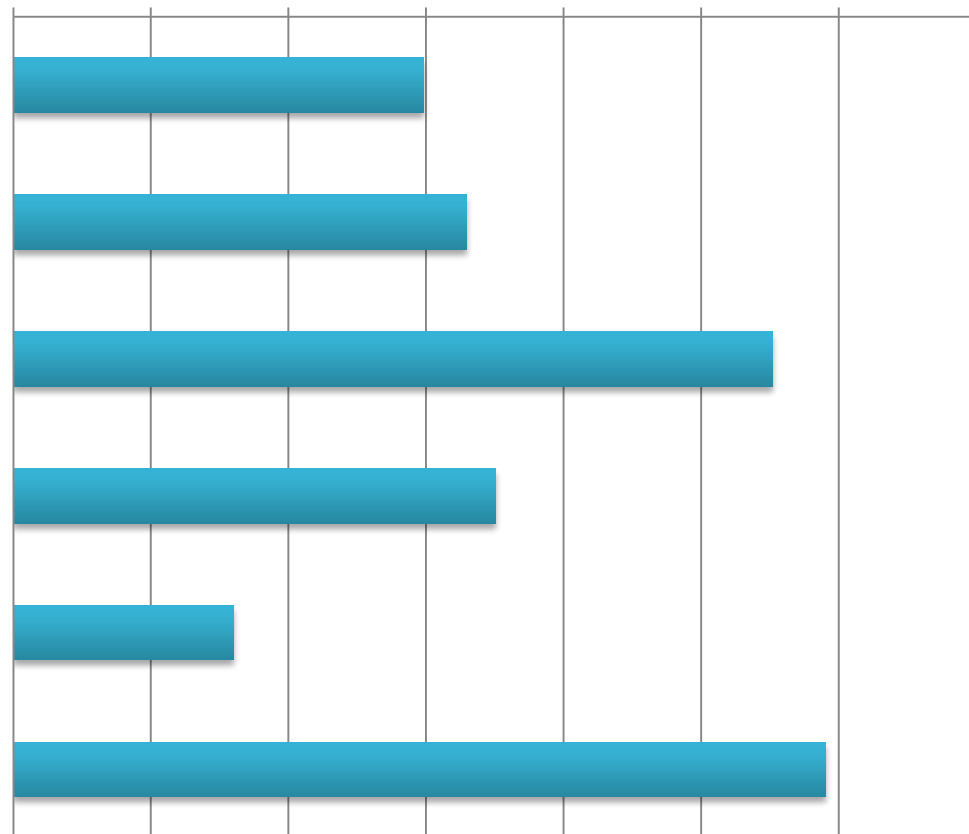
Data and Econometric Analysis (contd.)

- Individual perceptions data included as independent factors:
 - Dissatisfied with freedom to choose what you do with your life (No/Yes)
 - Dissatisfied with standards of living (No/Yes)
 - Dissatisfied with government efforts to increase number of high quality jobs (No/Yes)
 - Dissatisfied with educational system (No/Yes)
 - Dissatisfied with the fact that people cannot get ahead by working hard (No/Yes)
 - Dissatisfied with external factors such as US leadership (No/Yes)



Individual Perceptions in Developing MENA in 2009-2010

0% 10% 20% 30% 40% 50% 60% 70%



Dissatisfied with freedom to choose what you do with your life

Dissatisfied with standards of living

Dissatisfied with government efforts to increase number of high quality jobs

Dissatisfied with educational system

Dissatisfied with the fact that people cannot get ahead by working hard

Dissatisfied with external factors such as US leadership



Data and Econometric Analysis (contd.)

- $LS_{jit} = \Theta \text{ Individual_Perceptions}_{jit} + \Sigma \text{ Personal_Char}_{jit} + \varepsilon_j + \lambda_t + \mu_{jit}$
 - (see also Di Tella et al., 2003; Frey and Luechinger, 2009)
- Personal characteristics related to household income, employment status, education, religion, citizenship, gender, age, marital status, household composition, and place of residence (country and city/suburbs/countryside).
- Weighted OLS
- Robustness analysis:
 - Interview date
 - Mood
 - Lewbel IV Estimator



Main Results

- Objective factors associated with unhappiness in line with theory and other empirical studies (including ones on Arab countries):
 - Unemployment
 - Underemployment
 - Low household income
 - Low level of education
- Especially high level of dissatisfaction among:
 - Not married
 - Males and youth



Main Results (cntd.)

| | Marginal Effect | Statistically Significant |
|--|-----------------|---------------------------|
| Dissatisfied with freedom to choose what you do with your life | -0.076 | NO |
| Dissatisfied with standards of living | -0.985 | YES |
| Dissatisfied with government efforts to increase number of high quality jobs | -0.041 | NO |
| Dissatisfied with educational system | -0.088 | YES |
| Dissatisfied with the fact that people cannot get ahead by working hard | -0.310 | YES |
| Dissatisfied with external factors such as US leadership | -0.067 | NO |
| | | |
| Corruption is widespread in business | -0.107 | YES |
| West is not respecting the Muslim World | -0.022 | NO |
| No trust in courts | -0.018 | NO |



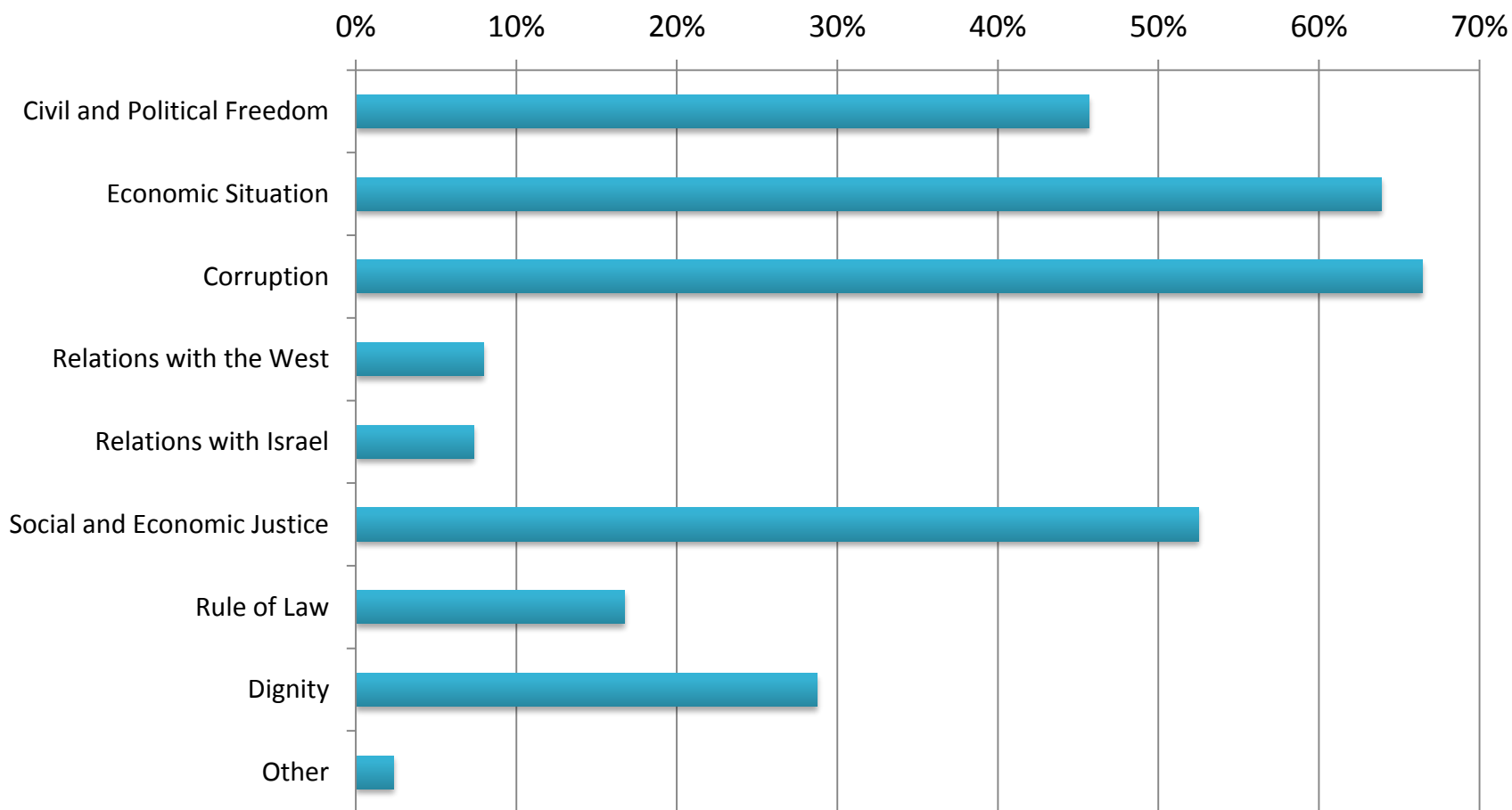
Main Results (cntd.)

Cross-national differences:

- **Iraq and Lebanon:** Dissatisfied with external factors such as US leadership
- **Iraq, Egypt, Syria, Tunisia, and Yemen:** Dissatisfied with freedom to choose what you do with your life



Reasons for Arab Spring Events according to MENA Inhabitants

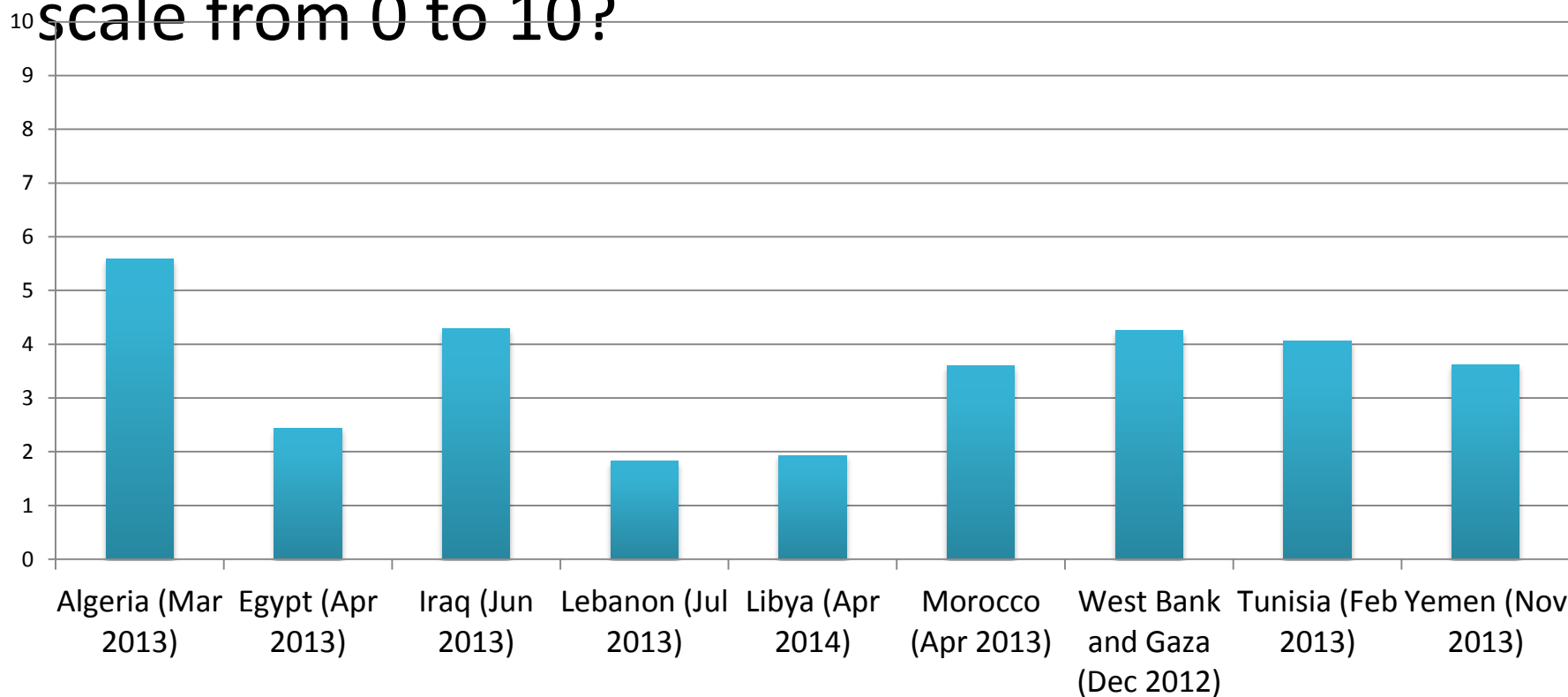


Source: Arab Barometer (2013)



Aftermath: Still Unsatisfied with Government

How satisfied are you with the government on a scale from 0 to 10?



Source: Arab Barometer (2013)

Takeaway

- Unhappiness and grievances prior to the Arab Spring have to do with poor economic situation not reflected in GDP:
 - Reflected in dissatisfaction living standards, unemployment, and underemployment.
- This poor economic situation is accompanied by poor perceived quality of institutions that offset labor markets and functioning of states in general.
- Particularly young males at the beginning of their careers feel unhappy given the limited chances provided to them.