HAPPINESS ECONOMICS: THE DETERMINANTS OF EXPATRIATES HAPPINESS IN UAE FROM SOCIO-ECONOMIC POINT OF VIEW

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Abstract - Human happiness is an old concept that has been studied by sociologists and philosophers long time ago. However, involving happiness as a subjective variable in the economic studies is not old. Studies on the economics of happiness have started in the 70s of the last century. This field has taken an important place internationally. Many researches are done in many countries around the world. However, in the country that its citizens are ranked as the happiest in the Arab world. The country that has established the Ministry of happiness. No enough studies are done about this topic. Therefore, this study aims to investigate the determinants of expatriates' happiness in the UAE as expatriates present a large portion of the UAE community. Viewing this objective from socio-economic point of view. A sample of 200 working individuals were surveyed. The data were analyzed using descriptive and analytical statistical methods. A binary logistic regression model was used to determine the factors affecting happiness degree of expatriates in the UAE. The result shows that a strong association exists between happiness as dependent variable and savings, health level, and income level as independent variables.

Keywords - Happiness, Economics of happiness, Expatriate, Socio-economic factors.

I. INTRODUCTION

Why happiness, and how does it relate economics? The idea of happiness and its importance to any society is not newly introduced. Throughout the history, many philosophers, intellectuals, and leaders associated happiness into their work (3). Adam Smith was the first to introduce the concept of Happiness as a simple idea in his book " The Theory of Moral Sentiments (1756)". Adam believed that to have people respect, admire and achieve the happiness, people must obtain Wisdom and virtue. Adam Smith's view was adopted by other economists such as: Galiani, Malthus, and Bentham (2). Thus, What is Happiness Economics? It is the study of happiness and its measurements through economic, psychology, health and sociology points of view. It is the study of happiness theoretically and quantitatively, its effects, quality and satisfaction of life, and other related concepts. This field deeply combines economics with fields of psychology, sociology, and health. It, mainly, treats happiness, rather than income, profit, or wealth as something to be maximized (1).

The concept of Happiness Economics was refused by the Neoclassical and Classical economists by saying that happiness is not measurable, and humans can only achieve happiness by maximizing their wealth. However, since the 1970s, this field has grown substantially, due to different reasons, mainly, Globalization. After Globalization, the interaction between consumers, companies and governments has grown rapidly worldwide. The growth of international trade led to new consumption behaviors. People started to measure their happiness by the amount of money they have and the number of properties they own. However, The more consumption has just bring people temporary happiness. And here comes the real duty of Happiness Economics to establish a new idea and value of happiness by relating it to economic and psychological factors that can insure a long term happiness for people. Legally, until 1972, no government around the world established a formal policy that places happiness as a criterion to be considered by decision makers of the public policy. In 1972, Gross National Happiness (GNH) was introduced by Bhutan's Former King and Wangchuck (4). In 2005, The first GNH Index and Global GNH Index Survey were introduced by Med Jones(5). Many other countries around the world did actions and created indexes to measure happiness.

The UAE was ranked as the happiest among Arab countries. Its government always aimed to put the country among the five happiest countries by the year of 2021. Therefore, in 2014, Dubai government launched Localized Happiness Index that measures the degree of conviction and satisfaction of people with the different services in the government sector by using a survey as an indicator in this regard (6). In 2016, the country's government created the Ministry of Happiness, that is mainly responsible for harmonizing all the plans, policies, and programmes of the government for the purpose of achieving happier community (7).

This paper begins with a background information about the happiness economics historically and currently. The second section presented some previous studies about the topic. Section 3 explained the employed techniques and methodology. The 4th section included the results and discussion. The last section is about the conclusion and recommendations.

II. LITERATURE REVIEW

Bak-Klimek (2017) talked about the determinants of well-being of polish immigrants to Scotland. Reasearcher studies different determinants of well-being such as education, marital status, duration of migration, health level and income. The study showed that health status is a significant determinant of well-being, then, age is a determinant of well-being, especially, those who are 25 years old and above. Thirdly came martial status, then education, gender and income. Cuñado and Gracia (2012) found that education has both direct and indirect positive effect on immigrant's happiness as the education is one of the determinants of happiness. The indirect effect can be shown through the relationship between education level and income, those with higher education level can have higher levels of income and better chances of being employed, and that can positively affect their happiness level. The direct impact can be shown through the self-confidence and self-estimation of the immigrants who have more knowledge. Other studies of Gokdemir and Dumludag (2011), Hao Ding (2013) and Ferrer and Riddell (2004) show that education can be a significant determinant of happiness but in both positive and negative way. Scoppa and Ponzo, (2008) showed that relative income has a greater effect on immigrant's happiness than absolute income. Stranges et al., (2013) made a study of a relative comparison between immigrants and natives across Europe by focusing on the "Social Comparison" in shaping immigrant's Subjective well-being evaluations, and the results show that demographic factors " gender and age", family background " marital status", migration experience " years of stay in the host country" and socio-economic factors " education and income" compared to native individuals can all affect the happiness of immigrants in different ways, either positively or negatively. Gerdtham,U. and Joganneson,M. (2001), investigated the nexus between utility (happiness) and different socio-economic factors among Swedish adult population. The paper showed a positive relationship between happiness and the variables: income, health, and education. . Dariush,D, Maryam,M, and Mohammad,K.(2014), considered in their study the underlying biological factors for happiness. Researchers collected and categorized articles from some websites in order to make the study. One of the study's conclusions was that the physical health affects happiness, and it is a significant factor to make up happiness. Martin,L.(2016), Compared the immigrants socioeconomic gradient and health to natives in 30 European countries by using survey data and regression analysis. The study measured the relationship between health and well-being by happiness and life satisfaction. As per the study, health was a quite important determinant of well-being, and it was more Important than many other economic and demographic characteristics quantitatively. The study was an evidence on the relation between health and well-being as a causal relationship run in both directions.

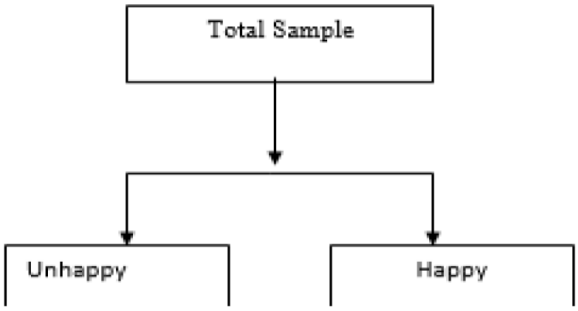
III. TECHNIQUES AND METHODOLOGY

The data used in this study were conducted based on cross-section survey in different emirates of the UAE. It covered a sample of 200 individuals working and living in UAE. The sample selection was based on simple random sampling. Two statistical methods were used in this study. In the first step, descriptive analyses such as frequency distributions and cross tabulation were computed for all variables in the questionnaire. The next step dealt with regression analysis, which is a technique for estimating the values of the coefficients in a model of an economic process. This technique was applied in the present study in order to specify the structure of the relationship between the dependent variable (happy, unhappy) and the selected explanatory variables. Binomial regression model has been applied in this study. The application of the model is justified by the nature of the dependent variable (dichotomous variable). The main data entry software used to capture the data was IMPS (Integrated Microcomputer Processing System). The IMPS data was read into SPSS (Statistical Package for Social Science).

3.1 Questionnaire Design and Data Collection

The questionnaire includes 1- Filtering question: Are you employed?. This question was used to direct the survey only to the targeted group which is working individuals. 2- scale of happiness from 0 to 10 considering 0 as extremely unhappy and 10 as extremely happy (Bartram,D. 2013).

This scale was converted into dichotomous scale (see the figure below), by excluding the zero value "as it was not used by respondents" and setting (1) value for unhappy individuals "who scaled their happiness from 1 – 5 " . And (2) value for happy individuals "who scaled their happiness from 6 – 10" giving equal value for both degrees. The survey was distributed over the targeted group online, and data was collected using the website of google form.



IV. RESULTS AND DISCUSSION

Figure 1 shows the happiness degree among the selected sample, where 22% of expatriates are unhappy against 78% of them are happy.

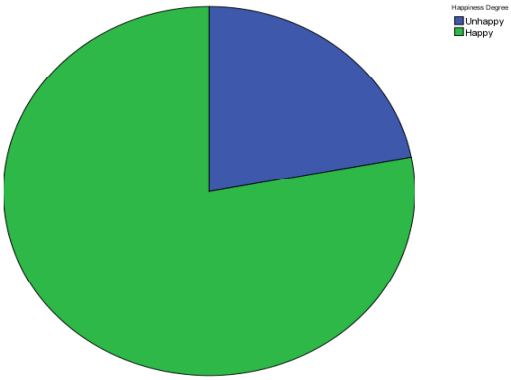


Fig. 1: Expatriates' Happiness

4.1 Characteristics of Respondents

As displayed in Table 1, Most of the respondents are in good and very good health (84%) and have university education (61%). Data in income shows that most of respondents' monthly income belongs to the range 5001 – 10000 Dirhams. About 53 percent of the respondents are males and about 47 percent are females.

Table 1:

Variable	Frequency	
	Number	Percent
Gender		
Male	106	53
Female	94	47
Age Group		
18 – 27	63	31.5
28 – 37	64	32
38 – 47	57	28.5
48 - 57	16	8
Marital Status		
Single	84	42
Married	116	58
Residence Period		
5 years and less	42	21
6 years and above	158	79
Health Level		
Bad	6	3
Fair	26	13
Good	90	45
Very good	78	39
Educational Level		
Secondary	22	11
Under graduate	122	61
Post graduate	56	28
Income Group		
2000 and below	13	6.5
2001 - 5000	35	17.5
5001 – 10000	85	42.5
10001 – 15000	44	22
Above 15000	23	11.5
Number of Individuals Depend on Respondent Income		
1	39	19.5
2	35	17.5
3	61	30.5
4	35	17.5
5	14	7
6	11	5.5
7	5	2.5
Savings		
No	106	53
Yes	94	47

4.1.1. Age and Happiness

As shown in table 2, the percentage of happy individuals in all age groups is around 77-80%, which reveals that there is no differences in the happiness degree among different age groups.

Table 2

		Age Group				Total
		18 - 27	28 - 37	38 - 47	48 - 57	
Happiness Degree	Unhappy	22%	22%	23%	19%	22%
	Happy	78%	78%	77%	81%	78%

4.1.2. Gender, Marital Status and Happiness

The data shows that for both genders the bigger portion is for happy people. Showing a small difference between the portion of happy working males which is about 76.4% and happy females that is about 79.7%.

When considering the gender and the marital status, the cross tabulation does not show a big difference in happiness degree of single males and married males. However, it is different for females. Figure 2 shows that single working females are happier compared to married working women. While, as shown in figure 3, there no difference in happiness degree between single and married males.

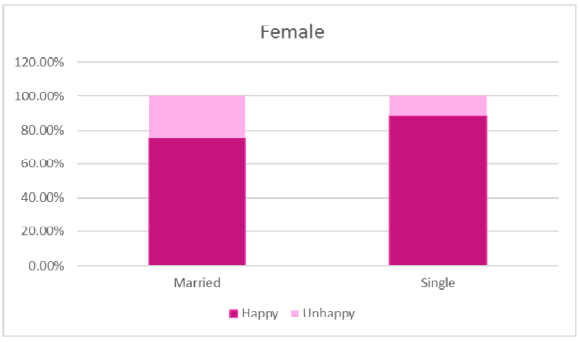


Fig. 2: Working females' happiness

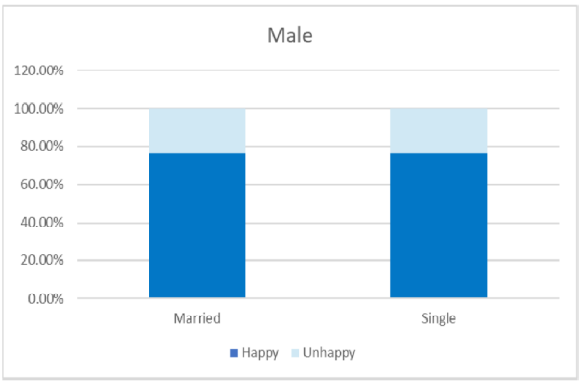


Fig. 2: Working females' happiness

4.1.3. Residence Period and Happiness

The data regarding the happiness and residence period shows that around 73.8% of those who have been in the UAE for 5 years and less, and 79.1% of those who are resident for 6 years and more, are happy.

4.1.4. Health Level and Happiness

Testing the level of health and its relationship with happiness. The data show that for those who are in bad and fair health, happiness degree is not, considerably, different. However, people with good and very good health are, obviously, happier. Leading to the result better health means more happiness (Figure 4).

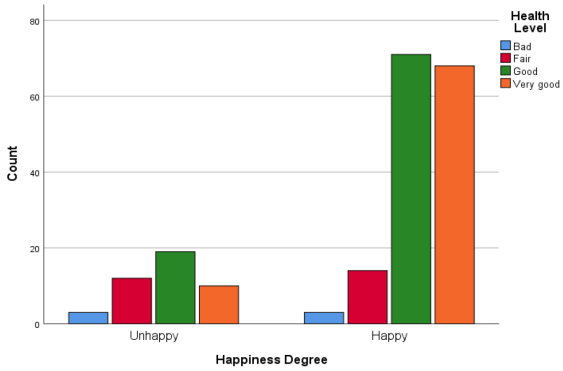


Fig. 4: Health level and happiness

4.1.5. Educational Level and Happiness

Regarding the educational level of respondents, there is no variation in happiness of undergraduate and postgraduate individuals as, for both, around 80% are happy. Whereas, for those with secondary educational level around 59% are happy. Both results lead to that education has a positive effect on happiness till a specific level, after this level there is no effect (Figure 5).

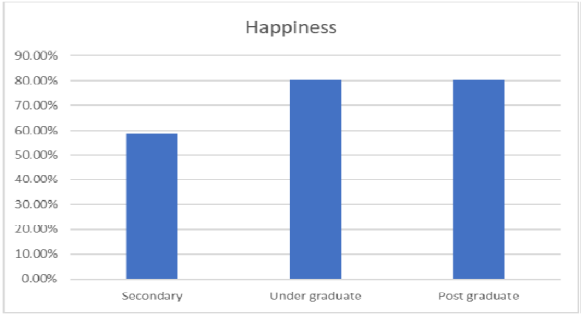


Fig. 5: Education and happiness

4.1.5. Income, Savings and Happiness

Based on the crosstabulation analysis (Table 3), the results show that a higher income level with being

able to have savings, reflect happier individuals. 92.5% of those who have savings are happy, 91.9% of them are having income above 5000. While only 65% of those who cannot save are happy.

Table 3

Savings			Income Group					Total
			2000 and below	2001 - 5000	5001 - 10000	10001 - 15000	above 15000	
No	Happiness Degree	Unhappy	5	11	18	2	1	37
		Happy	6	16	28	14	5	69
	Total		11	27	46	16	6	106
Yes	Happiness Degree	Unhappy	1	2	1	2	1	7
		Happy	1	6	38	26	16	87
	Total		2	8	39	28	17	94

4.2 Multivariate Analysis

To show how each independent variable is related to happiness (dependent variable) holding all other factors constant, a Binary Logistic Regression Model was run includes 3 selective socio-economic variables: savings, health, and income. As shown in table 4, the analysis indicates that saving has high significant relationship (0.002) with happiness. Savings are considered to be very important happiness factor for expatriates living in the UAE. It is known that after a specific period of time, they will get retired and will get back to their countries. Therefore, expatriates need to have enough savings to continue their livings or even to have their own investments after back home.

Table 4 : Estimated Model Results

		B	S.E.	Wald	Sig.	Exp(B)
	Savings	1.435	.468	9.407	.002***	4.199
	Income Group	.441	.194	5.185	.023**	1.554
	Health Level	.574	.239	5.776	.016**	1.775
	Education	.456	.543	6.765	.321 NS	1.076
	Constant	-3.714	.964	14.859	.000	.024

1. *** Indicate significant at 0.01 level
2. ** Indicate significant at 0.05 level
3. NS Indicates not significant at 0.05 level

While the quantitative magnitude of effects produced by each of the linked variables on happiness would vary from situation to situation, the important issue to understand is the way all these factors interact between themselves and with other variables determining happiness. An interpretation of the study results and deeper understanding of the inter-relationship between happiness and other variables is crucial for creating strategies that would help in obtaining higher level of social well-being. In the current research, an attempt has been made to get an understanding of expatriates' happiness through socio-economic factors. In this section, the relationship between observable approaches and theoretical ones at the level of this case study will be discussed. Moreover, the compatibility of its results with global studies will be examined. For the interpretation of study results: education was not highly correlated to happiness, which is contrasted with some previous literatures. For example, Gokdemir and Dumludag (2011), Hao Ding (2013) and Ferrer and Riddell (2004) show that education can be a significant determinant of happiness. The contradiction of these results with the present study can be justified through understanding the nature of labor market in the UAE. The variables health and income were found to be significant and highly correlated with happiness. Which is also confirmed by previous researches to be determinants of happiness, (Gerdtham,U. and Jogannesson,M. 2001, Bak-Klimek 2017, and Dariush,D, Maryam,M, and Mohammad,K. 2014). Savings was found to be the most significant and has the highest association with happiness. Based on researchers interpretation of this result, the reason could be related to the expatriates purpose of working and living in the UAE.

CONCLUSION

This paper attempts to explore the determinants of expatriates' happiness in the UAE from socio-economic point of view. The current study uses descriptive and analytical statistics to investigate this relationship. The binary logistic regression was constructed to determine the probability that an individual with a given set of attributes, will be happy or unhappy. The model considers socioeconomic characteristics of 200 expatriates living and working in UAE. The results of fitting the logistic model of individual being happy for the whole sample are given in Table 4. Results released that with the ability to save, gaining higher income and having better health reflect higher happiness of expatriates. The conclusions of this paper might help the policy makers for putting strategies to obtain higher levels of social well-being which will eventually reflect better social and economic situation. Moreover, considering the current situation of the UAE as being 21st happiest country worldwide and the first among Arab countries, and its vision to be one of the top five happiest globally 2021, there is a need to enrich the literature of this country regarding happiness of both locals and foreigners.

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Appendix

Survey:
Kindly fill the survey below for the purpose of examining the migrants happiness in the UAE explained by socio-economic factors.
" WITH MENTION: the information will be highly secured and used for research purpose only."

- Are you employed? Yes - No

(if your answer is "no" that means you are not targeted in this research . Please do not answer the rest of this survey . Thanks)

- How happy are you? (scale from 0 to 10 , considering 0 as extremely unhappy and 10 as extremely happy)

10_____ 0

- Your gender is: Male - Female

- Your age is :

18 – 27
28 – 37
38 – 47
48 – 57
58 and above

- Are you : Single - Married

- Are you . Part-timer - Full-timer

- How long have you been in the UAE?
  5 years and less - 6 years and more

In general, you would say your health is ?
Very bad - Bad - Fair - Good - Very good

- Your educational level
  Below secondary - Secondary - Under graduate - Post graduate

- Your monthly income belongs to:
  2000 and below
  2001 to 5000
  5001 to 10000
  10001 to 15000
  Above 15000

- How many individuals depend on your income?
  1 - 2 - 3 - 4 - 5 - 6 - More

- Taking all things together, Is your current income enough to have savings?
  Yes - No

★★★