

Abstract

This thesis examines the relations between subjective well-being and economic, politic and social characteristics of individual countries. We study the link between three components of subjective well-being – life satisfaction, positive affect and negative affect and other country characteristics. First, we use the dataset containing countries from almost all countries of the whole world and then with a more detailed European dataset. For the analysis of life satisfaction, panel data models are used. The results indicate that we are able to explain better variation in life satisfaction by our set of explanatory variables in comparison with positive affect and negative affect. In the former dataset, we discovered that the most important determinants of life satisfaction are GDP per capita, health, freedom to make life choices, political conditions and social support. In the latter, European dataset revealed a strong negative correlation between tertiary education attainment and happiness. The results also indicate that female representation in national parliament is an important predictor of life satisfaction in European countries. This supports the idea that equality between men and women plays an important role in developed societies.

Keywords

Subjective well-being, Happiness, Life satisfaction, Positive affect, Negative affect, Economics