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journal homepage: www.elsevier.com/locate/jceAdolescents' (un)happiness in transition[☆]Tom Coupe^a, Maksym Obrizan^{b,*}^a University of Canterbury, Christchurch, New Zealand^b Kyiv School of Economics, Kyiv, Ukraine

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ABSTRACT

In this paper, we analyse the life satisfaction of adolescents in transition countries, comparing their life satisfaction with that of their peers in non-transition countries. We find that, at the start of transition, *ceteris paribus*, the life satisfaction of the adolescents in our sample of transition countries is somewhat smaller, but not significantly so, than the life satisfaction of the adolescents in our sample of non-transition countries. With the economic crisis of the early 1990s, however, the difference increased dramatically, but, by the beginning of the 2000s, this gap had again become fairly limited. From that point, respondents' health situation, their material wealth and their school experience mattered much more than whether they lived in a transition country or not. Unlike the literature on adults, we do not find that after controlling for individual level variables, macro variables play an important role in adolescent happiness.

1. Introduction

There is a sizeable economics literature studying the life satisfaction of adult residents of transition countries, with some studies focusing on single countries (f.e. [Becchetti, 2010](#)), others comparing different transition countries (f.e. [Hayo, 2007](#); [Easterlin, 2009](#)) and yet others comparing transition countries with non-transition countries (f.e. [Guriev and Zhuravskaya, 2009](#)). In contrast, there is little economics literature on the life satisfaction of children and adolescents in transition countries.^{1,2}

The studies that compare adult life satisfaction in transition countries with adult life satisfaction in non-transition countries typically document a “happiness gap”. Even after controlling for different variables, transition countries are found to have lower happiness levels; that is, residents of transition countries are “abnormally” unhappy. [Guriev and Zhuravskaya \(2009\)](#) provide several explanations for this happiness gap, including mismatch in education, increased macroeconomic volatility and deterioration in the provision of public goods but also differences in survey quality. [Nikolova \(2016\)](#) finds that differences in political institutions, as proxied by the rule of law, provide an additional explanation. Similarly, [Djankov et al. \(2016\)](#) argue that the happiness gap is linked to “higher perceived corruption and weaker government performance”. The determinants of the happiness gap are important, as whether transition countries' happiness will catch up with the happiness of other countries depends on how these determinants are

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¹ The World Health Organization (n.d.) defines adolescents as people between 10 and 19 years old. We have data for 11, 13 and 15 year olds and refer to them as adolescents throughout this document.

² There is a more sizeable literature on the life satisfaction of young people in the social science literature. [Proctor et al.'s \(2009\)](#) literature review, for example, includes 141 studies, two of which use data from a transition country. Below, we will review a number of more recent social science studies, which use the HBSC data we use in this paper.

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likely to evolve. Note that an analysis of 2015–16 data by the EBRD (de Haas, Qi and Young, 2016) and an analysis of 2010–16 data by Guriev and Melnikov (2017) suggest that the happiness gap for adults has closed recently. The analysis by Djankov et al. (2016) implies that the gap still existed in the 2010 LiTS data, though Nikolova (2016) finds that the gap disappeared in the early to mid-2000s if one includes a measure of the rule of law in the regression analysis. In this paper, we investigate the covariates of the life satisfaction of adolescents in transition countries and check whether a “happiness gap” also exists for them.

Studying the life satisfaction of adolescents in transition countries is important, as life satisfaction is shown to be a useful proxy for ‘utility’. Economists indeed have already been interested in the life satisfaction of adults for many years, arguing that subjective well-being is a satisfactory empirical approximation to adults’ individual utility (Frey and Stutzer, 2002). Life satisfaction measures are not only satisfactory proxies for adults’ individual utility, however. Adolescents’ life satisfaction is similarly found to correlate with suicide, depression and insomnia (see Proctor et al., 2009). More general, Huebner (2004) concludes his review of the social sciences literature on children and adolescent life satisfaction as follows: “In summary, the study of life satisfaction of adults has grown into a major area of research in the social sciences research ... The studies reviewed herein support the notion that life satisfaction is a meaningful and important variable for children and adolescents (from about age of 8) as well.” In fact, while for adults an individual’s wage or income is often used by economists as an alternative way to measure his or her utility, for adolescents such monetary measures are typically absent; hence, the use of life satisfaction scores as proxies for what children maximize can be argued to be even more relevant to adolescents than to adults. Studying the covariates of the life satisfaction of adolescents in transition countries thus allows us to gain a glimpse of what matters to adolescents in transition countries.

Moreover, knowing how the transition from a communist system to a market system has affected the life satisfaction of adolescents can help in evaluating the possible long-term consequences of this transition. As human capital is formed to a large extent during adolescent years, life satisfaction during these years is likely to affect human capital formation, as unhappy adolescents are unlikely to focus on long-term investments in quality education. Crede et al. (2015) provide an overview of the bi-directional nature of the link between adolescents’ life satisfaction and their academic performance. Suldo et al. (2011) longitudinal analysis presents evidence that adolescents’ life satisfaction predicts subsequent academic achievement. If transition makes adolescents unhappy and thus negatively affects the transformation and/or accumulation of human capital, then the transition shock can have long-lasting consequences for the economic growth in these countries and make the transition process slower and longer.³

A comparative study of the life satisfaction of adolescents in transition countries and non-transition countries is furthermore important, as the prior literature identifies a “happiness gap” when comparing individuals living in transition countries with individuals living elsewhere. Most of these studies (Guriev and Zhuravaskaya, 2009; Nikolova, 2016), however, use the World Value Survey as their source of happiness statistics, even though this survey only interviews people who are 18 years or older. Since about a quarter of a typical country’s population is under the age of 18, studies based on the World Value Survey do not necessarily provide a complete picture of happiness in the countries surveyed.⁴

The happiness situation of adolescents in a country might indeed be quite different from the happiness situation of adults. Research for example shows that young people are disproportionately poor, with the poverty rate in a sample of 89 developing and transition countries being estimated at 19.5%, which is more than double the estimated poverty rate for adults aged 18 and above in these countries (Newhouse et al., 2016). This reflects the fact that poorer families tend to be families with many young people. More generally, the determinants of adolescent happiness are likely to be different from the determinants of adult happiness. While adolescents spend a lot of time at school, adults spend a lot of time on the labour market. Both the schooling system and the labour market changed considerably over the transition period. In many Central and Eastern European countries, not only the content of education but also the language and available resources changed.⁵ These changes in the school system might have affected adolescents’ life satisfaction but are not likely to affect directly the life satisfaction of adults. Vice versa, the thoroughly changed labour market in Central and Eastern Europe is likely to have affected the life satisfaction of adults but is not likely to affect directly the life satisfaction of adolescents. Given the above-mentioned differences in the determinants of life satisfaction, the evolution of the transition gap and the timing of the possible closure of this gap can be different for adolescents and adults. That is, even if the transition gap might be closed for adults, it might not be closed yet for adolescents or vice versa. Obviously, the implications of finding that the gap has closed for the whole population, just for adults or just for adolescents are different.

In this paper, we use adolescent life satisfaction data from various waves of the Health Behaviour in School-Aged Children (HBSC) survey, a survey that has been implemented about every 4 years since 1983/84. While the initial sample of 5 countries only included Western European countries, in 1985/86, Hungary joined as the first transition country (to be). Over time, many countries have been added, including Latvia and Poland in 1989/90 and the Czech Republic, Estonia, Lithuania, Russia and Slovakia in 1993/94. The last publicly available wave (2009/10) contains 36 countries, including 14 transition countries.⁶ In addition, we use data from the Programme for International Student Assessment (PISA) from 2015 to provide more recent statistics for 15-year-old teenagers for

³ See for example, Hanusek and Woessman (2010) for the relationship between education and growth.

⁴ The Gallup world poll interviews people who are 15 years or older. According to World Bank data, the share of people aged below 15 in Europe and Central Asia declined from about 23% in 1990 to about 18% in 2016.

⁵ Federicova and Munich (2014) use PISA 2012 to compare children’s liking of school in the Czech Republic with children’s liking of school in selected European countries.

⁶ In 2010 the following countries were included: Austria, Armenia, Belgium (Flemish and French), Bulgaria, Canada, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Greenland, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Macedonia, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom (England, Scotland, Wales) and the USA.

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