



The impact of war on happiness: The case of Ukraine[☆]



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ABSTRACT

In this paper, we study how war affects happiness using data from the on-going conflict in Ukraine. Using a difference-in-difference design, we find that the average level of happiness declined substantially in areas that experience war directly, with the drop in happiness being roughly comparable to the loss of happiness a relatively well-off person would experience if he/she were to become a poor person. At the same time, despite the fact that the war in the East dominates the local media in Ukraine, respondents in other regions of Ukraine are about as happy as they were before the war.

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“Society doesn’t feel that there is a war going on,” says Artem [a soldier on temporary leave] . . . “There is no atmosphere of war.” (Zhuk, 2015)

1. Introduction

By now, there is a sizeable economics literature on the various ways wars affect the civilian population (see Blattman and Miguel (2010) for an early overview). Some of these papers focus on how war affects the labor market success of individuals. For example, Kondylis (2010) shows that people displaced during the war in Bosnia & Herzegovina are less likely to work relative to stayers, while Akbulut-Yuksel (2014) shows that German children who were at school-age during WW II and lived in cities heavily affected by bombing have lower labor market earnings, compared to those living in less affected cities. Similarly, Islam et al. (2015) find that exposure to the conflict in Cambodia during primary school age decreased earnings of men, but not of women.

Others have studied how war affects health or education. Akbulut-Yuksel (2014), for example, further shows that German children from heavily war-affected cities have less schooling, are shorter and have lower self-reported health satisfaction, while Akresh et al. (2011) show that children from heavily affected areas during the Eritrean-Ethiopian conflict have lower

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age-for-height scores compared to children from less affected areas. Similarly, [Islam et al. \(2015\)](#) find that children exposed to the conflict in Cambodia during primary school age have lower overall educational attainment.

Yet other studies focus on social and political outcomes. [Grosjean \(2014\)](#), for example, using data from Eastern Europe, finds that victims of recent civil wars have reduced trust in central institutions and reduced generalized trust in other people, but also that they are more likely to actively participate in groups, or in collective actions, and to be member of political parties. In contrast, [Coupe and Obrizan \(2016\)](#), using data from 2 cities that were heavily affected by the war in Eastern Ukraine, find that people who experienced physical damage were less likely to turnout in the election for the Ukrainian parliament.

This paper adds to the above literature on the costs of war by estimating the impact of war on the happiness of civilians. There is a sizeable economics literature that uses subjective well-being indices as outcome measures (for overviews see, [MacKerron, 2012](#) and [Stutzer and Frey, 2012](#)). Subjective well-being indices have been used to assess the impact of disasters (the Fukushima nuclear disaster by [Rehdanz et al. \(2015\)](#), the Chernobyl nuclear disaster by [Danzer and Danzer \(2016\)](#), or Hurricane Katrina by [Kimball et al. \(2006\)](#)), the impact of terrorism (in Europe by [Frey et al. \(2007\)](#), in Israel by [Romanov et al. \(2012\)](#)) or the impact of environmental pollution (for example, [Weinhold \(2013\)](#) on noise pollution or [Welsch \(2006\)](#) on air pollution). Using happiness as an outcome variable has the advantage that happiness is a broad outcome measure which proxies “utility” ([Frey and Stutzer, 2002](#)) and thus can encompass the various objective and tangible impacts of war like war’s impact on unemployment, income, education or health.¹

As far as we know, there are only four papers that provide empirical estimates of how wars affect subjective well-being.^{2,3} [Welsch \(2008\)](#) uses cross-sectional data for 44 countries and shows that, as the intensity of the war (the number of victims per 1000 inhabitants) increases, the average happiness in a country goes down. [Shemyakina and Plagnol \(2013\)](#), studying the war in Bosnia and Herzegovina, find that, several years after the end of the war, people living in municipalities heavily affected by the war (as measured by the level of people killed or missing, the high level of damage to housing stock, or the number of refugees in the community) were not less satisfied with their life than people living in municipalities that were not heavily affected. However, people who live in houses that are still suffering from war damage or who still think a lot about the war were found to be less satisfied with life. Similarly, [Djankov et al. \(2016\)](#) find no significant effect of whether or not a respondent or her parents/grandparents were killed, injured or displaced during World War II on the respondent’s life satisfaction in 2010. Finally, [Van Praag et al. \(2010\)](#) show that Jews and Arabs, living in Israel, who were asked about their life satisfaction during or after the 34-day 2006 Israel-Lebanese War did not have a significantly different level of life satisfaction from those asked about their happiness before the start of the war.⁴

In this paper, we present a case study using data from Ukraine. By studying the Ukrainian data, we can add to the literature as we use individual level data at the time of the conflict (unlike [Welsch, 2008](#), who uses cross-country data, and unlike [Shemyakina and Plagnol, 2013](#), or [Djankov et al. \(2016\)](#) who use data from several years after the conflict). Moreover, unlike these three previous studies, we have data from both before and during the conflict, enabling us to arrive at more trustworthy estimates of the impact of war on happiness. The study by [Van Praag et al. \(2010\)](#) is closest to ours. They also have individual level survey data from before and during the conflict. But that study uses data from Israel where the population had already been experiencing violence and terrorism for many years and of a war that had only a limited number of victims in Israel, both factors which could explain the limited effect of war on happiness that they find. Our study, however, focuses on a country where, until the 2014 war, violence and terrorism had been rare (since World War II) and hence, the violence of war and the high number of casualties might have a much bigger impact. Moreover, given that the violence of war in Ukraine is concentrated in the East of Ukraine, we can make a methodological contribution to this literature by using, as an identification strategy for the impact of war, a difference-in-difference methodology, comparing directly affected regions, before and during the war, to regions that experienced the war mainly through the media.

Our regression analysis suggests that while, on average, the probability that Ukrainian respondents consider themselves as happy has changed little since the start of the war, there is a big difference between respondents who live in the war zone and those living in the regions of Ukraine that have not experienced war violence directly. When we control only for exogenous variables, we find that living in a war zone is associated with a 30 percentage points drop in happiness. When we allow for the possibility that political and economic changes would have happened after the Maidan revolution even if no war had started, we find that living in the war zone is associated with a 15 percentage points drop in happiness, which is roughly equivalent to the drop a (relatively) rich person in Ukraine would experience when (s)he becomes poor.

Knowing to what extent war affects happiness is not only of interest from a purely academic point, it also has important real life implications, as happiness measures are likely to be strongly correlated with civilian morale. Civilian morale is

¹ As [Frey and Stutzer \(2002\)](#) write: “The subjective approach to utility offers a fruitful complementary path to study the world. Firstly, subjective well-being is a much broader concept than decision utility; it includes experienced utility as well as procedural utility; and is for many people an ultimate goal. That is not the case for other things, such as job security, status, power and especially money (income). We do not want them for ourselves but rather to give us the possibility of making ourselves happier. Secondly, the concept of subjective happiness allows us to capture human well-being directly.”

² There is a somewhat larger literature on the effect of terrorism on happiness. See, for example, the works cited in [Van Praag et al. \(2010\)](#).

³ While not providing empirical estimates, [Frey \(2011\)](#) also discusses the war-happiness question, noticing the scarcity of empirical research on this issue, and pointing out a major challenge: happiness surveys cannot measure or take into account the loss of happiness of war casualties themselves.

⁴ During this 34 day military conflict, Hezbollah fired rockets on northern Israel and the Israel Defence Force attacked Hezbollah targets in Lebanon. The estimated number of Israeli casualties is about 60, the estimated number of Lebanese casualties is about 1100 (see [Human Rights Watch, 2007](#)).

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