

SOCIAL AND ECONOMIC WELFARE AND THE LEVEL OF LIFE SATISFACTION ON THE EXAMPLE OF SELECTED COUNTRIES

Ewa Polak

*Kujawy and Pomorze University College in Bydgoszcz
ul. Toruńska 55 -57
e.wap@wp.pl*

Abstract

The article presents problems related to life quality, life satisfaction and sense of happiness, their determinants, methods of measurement and dependence on the level of wealth and other conditions. Life quality is an abstract blurred term which depends on numerous factors. There is not any single, comprehensive definition, measure or cause of such phenomena as life quality, economic well-being or sense of happiness. Their evaluation depends on economic, political, cultural and social conditions and also on individual features, expectations and attitudes. More and more often, next to hard economic coefficients, social indicators are applied, and synthetic measures of the level of life quality or social and economic well-being are developed. The level of social development is strongly affected by the quality of human capital. The article presents an attempt at matching parameters and indicators which characterise various aspects of life quality and applying them for the development of synthetic measures of life quality in its different aspects. It is also aimed at comparing them with the current results obtained by research studies in this field. The aim of the article is to provide an assessment of diversification in the levels of living conditions observed in some selected countries – its size, specificity and cause-effect relations with the use of the listed parameters and measures. The research on life quality should be applied to the assessment of the efficiency of social and economic policy which has been currently implemented.

Key words: *Economic Welfare, Integrated Development, Measures of Life Quality*

INTRODUCTION

Until the 1990s a basic formal measure of country development, and indirectly: a measure of life satisfaction, was the gross domestic product. Development and welfare were treated as a quantitative variable. As it is commonly known, the GDP or GNP has several weak points, and its use is clearly insufficient to characterise an economic situation or, even more, to characterise a social situation of a state and its citizens. More frequently, social indicators are applied in conjunction with hard economic ones and some synthetic measures of social and economic welfare are developed. A precise definition of these synthetic measures comes as a difficult problem to solve, but their explicit measurement appears equally problematic. This results from the fact that welfare does not only have its measurable quantitative aspect, but it also has its unmeasurable qualitative dimension as well. The aim of the research study is to present various approaches to the measurement and interpretation of the notion of *welfare*. It also aims to define the quality of life and its main determinants, to provide an analysis of synthetic measures which, on one hand, characterise various aspects of life quality, and on the other hand, the sense of satisfaction and happiness. The aim of the article is also to analyse relations between social and economic conditions and the sense of well-being experienced by individuals and by social groups. The following research methods and techniques have been applied: critical analysis of expert literature, analysis of reports, research results and statistical data. A method involving the synthesis of dispersed information, observation and formulation of conclusions based on the principles of logical analysis and reasoning.

TERMINOLOGICAL EXPLANATION

Social and economic welfare is defined as high satisfaction of human existential and cultural needs. It is a blurred notion of a relative nature. Welfare is a scalable, multi-dimensional and multi-aspect phenomenon. It is evaluative in character, and informs about a positive situation desirable in the society. Welfare refers to the question of satisfying individual and collective needs. A precise assessment of the level and the way of need satisfaction is different, depending on the society, the level of its development, cultural conditions and its historical epoch. The notion of basic and luxury needs also undergoes some changes. What once used to be luxury goods can now be in common use. Hence, social and economic welfare has many aspects, it has objective and subjective dimensions, and it can come as a universal, cultural and historical experience.

It is possible to wonder whether welfare and life quality are more affected by the personal economic situation of an individual or by their economic, political, social, legal, institutional and cultural environment. Is material wealth more important to an individual than social bonds, a sense of trust and stability or health? Measuring welfare cannot be limited only to economic measures. Other social measures seem equally important, for example: literacy ratios, purchasing power of people's income – that is:

how many square metres can be purchased for an average or minimal income, what percentage of income is spent on food or cultural purposes, how many policemen, physicians, teachers or hospital beds are available for the population, the availability of specialist medical treatment, how many cars or mobile phones there are for a citizen, what percentage of children attend kindergartens, the rates of oncological disease morbidity and curability, the mortality of newborn children, the crime rates in a particular population, the unemployment rates, the number of square metres per person, the corruption rates, the level of debts per person, the average time required to find employment, the suicide rate, the balance of net migration, the level of subjective life satisfaction and so on. A simple but very suggestive piece of information for an analyst of social and economic development is the average life expectancy in a particular country. Some significant information about a change in the level of social welfare in the analysed country does not refer to a change in citizens' average income but to a change in the income earned by 20% or 10% of the poorest members of the society. Life quality and the sense of well-being are affected by such factors as a clean natural environment, employment stability, a sense of recognition and friendly atmosphere at work, a sense of social security, the availability of social services, community bonds, leisure time, a lack of stress, opportunities for social promotion, passable information channels and the articulation of social problems.

Although the correlation between the level of the national income and the rates of life quality is usually positive, it is possible to provide numerous examples of countries with a relatively high income and low rates of life satisfaction and vice versa.¹ The GDP may grow along with simultaneous impoverishment of some groups within society, leading to growing income polarisation, shrinking national assets and decreasing income of the state budget. As well as providing global values for GDP, the level of GDP per capita should be considered. Also, it should be noted that the latter rate is an arithmetic average, and it does not provide any information about the material status of particular individuals. Furthermore, the ranking of the countries with regard to their GDP per capita differs considerably, depending on whether it is expressed according to the purchasing power parity of the currency (PPP) or to the official exchange rate of the currency.

It is also interesting to analyse the relations between objective measures of welfare and subjective feelings on this subject. In some regions of the world, people are more satisfied with their lives than would be apparent from the level of development in their countries. There are also countries whose citizens declare a low level of life satisfaction despite a relatively good social and economic situation. It is explicitly stated that the sense of happiness and satisfaction is a state of mind – not just a consequence of some external circumstances. The assessment of one's own life situation comes not only as a result of economic conditions but also as a result of one's family, professional, social and health situation as well. It can result from cultural, religious and even

¹ For instance, in 2007 the United Arab Emirates indicated GDP per capita at the level of USD 49 700 and the Equatorial Guinea declared USD 50 200 (more than Norway), however considering the life standards, the latter country found itself at the 127th position.

genetic factors. There are five countries in the world, namely: Bhutan, Ecuador, Scotland, the United Arab Emirates and Venezuela, where special ministries have been established to promote happiness as an important target of the social policy [Zwoliński, 2013: 15ff.]. In Denmark, there is an Institute for the Research on Happiness. On 28th June 2012, the United Nations General Assembly established the International Day of Happiness to be held on 20th March. New scientific disciplines have already appeared: welfare economics and happiness economics.

What is happiness in an economic interpretation?² Danish people call it *Hygge*.³ The designers of a synthetic measure, the World Happiness Index, define the notion in a different way, and the authors of the Happy Planet Index have their own way to define it, depending on whether happiness is to be treated more as a subjective feeling or more as a consequence of external circumstances. In a research survey on happiness, the Gallup World Poll asked some respondents the following question: *Imagine a ladder, the rungs of which are numbered from zero at the bottom and ten at the top. Let us assume that the highest rung of that ladder represents the best possible life you could lead – and the lowest rung – the worst life. On which rung do you think you are standing now?* [Stevenson, Wolfers, 2017: 23].

SYNTHETIC MEASURES OF LIFE QUALITY

Over the last 10 or 20 years more and more measures of life quality/welfare have appeared. They involve not only economic factors but also social and cultural ones and a subjective sense of satisfaction or even happiness, e.g.:⁴

Human Development Index (HDI) – an index published by the UNDP, applied since 1990 to assess the level of social development in a particular country or region, in comparison to others or to the results from the previous years. It is established based on measures which refer to dimensions of social development (a weighted average): average life expectancy, schooling and the GDP per capita (according to PPP). In practice, the value ranging from 0.28 to 0.943 is assumed. The research survey covers 187 countries, and the top positions in this ranking are taken by Norway, Austria, Switzerland and Denmark (See: UNDP, 2017).

Sustainable Economic Development Assessment (SEDA) – is a measure of life quality in which both economic and social criteria are considered. It is calculated with regard to 44 factors, such as the GDP, economic stability, labour market situation,

² The English term *happiness* needs some differentiation into *luck* which means *serendipity*, a *lucky chance* and *happiness* which refers to the state of mind. There is also *fortune*, interpreted as success and prosperity (identified with material wealth).

³ *Hygge* is a proper mood and something spiritual that can be experienced. This is being with people you love. This is home. A sense of being safe, protected against the world; a sense that you can drop all your defence down. (M. Wiking 2017:5).

⁴ Other indices of life quality are: Human Poverty Index (HPI), Environmental Performance Index (EPI), Legatum Prosperity Index (LPI), Better Life Index (BLI) Human Suffering Index (HSI) Quality of Life Index (QLI), Democracy Index (DI), Eco-efficiency Index, Barometer of Watch Health Care (WHC), GLOBOCAN, Measure of Economic Welfare (MEW), Net National Welfare (NNW), Index of Sustainable Economic Welfare (ISEW), European Consumer's Health Index.

conditions of infrastructure and administration, social trust, quality of education and health care, gender equality, income diversity, condition of natural environment, corruption and freedom of the media. Based on the abovementioned index, a ranking of approximately 150 countries is developed. It comes as an analytical tool for governments to identify strong and weak points with their policies. The SEDA does not consider any opinions expressed by the citizens of those countries. It is based on objective data referring to the level of economic and social development. The SEDA is composed of three dimensions which are defined by ten criteria characterising the level of welfare: economy, investments, sustainable development.

The top position in the SEDA ranking is taken by Norway which has beaten other countries in all the categories. The first ten positions are taken by the countries of Western Europe. Some countries from outside Europe appear in the top twenty: Australia, Singapore, Hong Kong, Canada, New Zealand, the USA and Japan. Poland is the country where the improvement of life quality is the fastest among all the European countries [Boston Consulting Group, 2016].

World Happiness Report (WHI) – has been published since 2012 by the UN on the basis of the data acquired in Gallup’s questionnaire survey. It considers such factors as the actual GDP per capita, life expectancy in good health, availability of health care services, quality of social care, employment security, social inequalities, family relations, trust for the government, level of corruption, country citizens’ generosity, freedom of choice and respect for civil liberties. Objective statistical data are taken into consideration along with subjective opinions expressed by the surveyed respondents on the conditions, manifestations, expectations and experience referring to a happy life. According to the World Happiness Report (WHR), the top positions are taken by the Scandinavian countries, then by Switzerland, Australia, New Zealand and Canada.

Social Progress Index (SPI) – is based on statistical information and respondents’ opinions. It does not refer to macro-economic data, and it is not based on any opinions about the sense of life satisfaction. During the analysis, it considers social, economic and environmental factors, including those referring to life conditions.

The Social Progress Index is developed by calculation of an average which is obtained after the analysis of three categories: satisfaction of fundamental human needs, satisfaction of social needs and opportunities for social promotion and personal liberties. While analysing the relation between the volume of the GDP per capita and the indices of social development, it is possible to state that during the initial stage of such development a strong positive correlation can be observed. In some countries, such as Kuwait, the UAE, Saudi Arabia, Russia, Iran, social changes indicate a delay in relation to the GDP per capita. In such countries as Finland, Canada, Great Britain or New Zealand social development outruns economic development. The highest rates of social development have been achieved by Denmark, Finland, Norway and Iceland [Social Progress Imperative, 2016]. Satisfaction With Life Index (SLI) – it is constructed on the basis of other indices of life quality. The basis for its evaluation comes with

the answers to the questions referring to the subjective assessment of life satisfaction, which are correlated with indices referring to health, wealth and availability of education. According to the research survey, the subjective sense of happiness indicates the greatest correlation with health, wealth and availability of primary education. In 2015 the top positions were taken by Denmark, Norway and Switzerland (White, 2015: p.17ff)

Research surveys on a subjective sense of satisfaction are also carried out by the EU. The Eurostat asks EU inhabitants about the level of their satisfaction with their current life. Respondents are asked to provide their answers with the use of a 10-point scale, where 1 refers to “not satisfied at all” and 10 refers to “fully satisfied”. It turns out that EU inhabitants are satisfied with their life. About 80% of the respondents evaluate their existence at the level of 6 points. An average result of the survey for all the surveyed respondents is 7.1 points. In the survey, happiness has been considered with regard to three aspects: life satisfaction, sense of life and domination of positive feelings [Eurostat, 2015].

People who are most satisfied with their life are Scandinavians. All the countries of Northern Europe have achieved an average result above the level of 7.5 points. The least satisfied nation turns out to be Bulgarians who have reached the average result of only 4.8 points. Greeks, Cypriots, Hungarians and Portuguese people do not evaluate their life situation much higher (6.2 points). Hence, the results of the survey seem to challenge a stereotype of an optimistic life attitude manifested by the nations of the South, which is inseparably associated with a favourable climate. There are even more differences to be observed in the percentage of respondents who declare their low level of life satisfaction (from 0 to 5 points): in Holland, there are only 5.6% of such people and in Bulgaria - there are 64.2%. Hence, according to the results of the research, the subjective sense of satisfaction largely depends on the level of wealth. Happy Planet Index 2,0 (HPI) – an economic measure based on a subjective evaluation of life satisfaction in relation to life expectancy and demand for natural resources in a particular country. It has been developed on an assumption that the target of economic activities is not just growing wealthy but securing health and winning happiness as well. The index is calculated in a way that promotes countries exerting less influence on the environment and indicating less consumption of natural resources:

$$\text{HPI} = (\text{perceptible welfare} \times \text{life expectancy}) : \text{ecological footprint}$$

As the ranking indicates, the happiest country in the world is Costa Rica. Other top positions are taken by Mexico, Colombia, Vietnam and Bangladesh. Poland takes the 71st position. The top positions of the Happy Planet Index can be surprising almost as well as the bottom ones in this ranking: the second to last position is taken by Luxemburg which is one of the richest countries in the world [The New Economics Foundation ,2017: 17ff].

While preparing the ranking, the authors of the HPI do not refer to information about the GDP or to any other questions related to wealth. They claim that the GDP is not a reliable measure, because people wish to be happy more than to be rich. Hence, they refer to life expectancy, general well-being measured with questionnaire surveys, information about environmental pollution (ecological footprint)⁵ and problems related to social inequalities. The ranking indicates that the sense of happiness is based on cultural, religious and environmental conditions. The countries where there is balance between welfare and social capital also declare happiness, and it indicates a high level of trust in the society, a low level of inequalities and trust towards the government. Social capital is based on cultural, historical, political and living conditions and their evaluation. In the countries undergoing transformation, such as Poland, Bulgaria, Moldova, Romania, Lithuania, China, social capital is at a low level. The low level of trust and social cohesion is followed by a low level of public life transparency and high corruption. Globalisation, social and economic transformation might be related to higher pollution of natural environment, worse work conditions, growth of unemployment, limited expenditures on social purposes and fierce market competition. As with other post-communist countries, Poland takes a much lower position than the countries which take top positions in the categories of mutual trust of citizens and governments, generosity and corruption.

THE RANKING OF COUNTRIES IN ACCORDANCE WITH THE SELECTED INDICATORS OF LIFE QUALITY

Considering such a measurable economic criterion as the **GDP per capita**, the top positions are occupied by economically liberal countries, countries which base their development on raw materials for energy production and countries with high state interventionism in the social and economic field. Considering the **HDI** and the criterion of an average salary, the top positions are taken by highly developed Western countries indicating various levels of economic interventionism. The low values taken by the **Gini coefficient** can be observed in countries indicating high levels of state interventionism and in some post-communist countries. The indicators mainly based on the **criteria of social development** are characteristic for Western countries indicating the highest level of development, which apply pro-social instruments of state interventionism.

In the rankings of social development, the top positions are taken by Scandinavian countries.

With regard to the higher share of the subjective assessment provided by respondents (e.g. HPI) in the indices characterising life quality, the higher-ranking positions

⁵ Ecological footprint – an indicator dedicated to evaluating the consumption of natural resources in relation to the capabilities of the planet to recover. In accordance with the Environmental Performance Index, the cleanest countries are Iceland, Switzerland, Costa Rica, Sweden, Norway, Mauritius, France, Austria, Cuba, Colombia.

are taken by developing and weakly developed countries, which represent the poor South, most often identified with religiousness and a favourable warm climate. Next to them, the high positions are also taken by highly developed countries which are characterised by the balance between the level of economic development and social welfare and social capital. In the rankings characterising life quality, the top position is most often occupied by Norway and Denmark.

Table 1. Top ten countries in the selected rankings of social and economic development (years 2016-2017)

GDP per capita	HDI	Average salary	Gini coefficient*	SEDA	WHI	SPI	SLI	HPI(2012)
Qatar Luxembourg Singapore Kuwait UAE Norway Switzerland USA Ireland Denmark	Norway Australia Switzerland Germany Singapore Denmark Holland Ireland Iceland Canada	Luxembourg USA Switzerland Iceland Norway Holland Denmark Austria Ireland Belgium	Sweden Hungary Norway Serbia Luxembourg Malta Czech Rep. Austria Slovakia Kazakhstan	Norway Holland Finland Germany Austria Denmark Switzerland Iceland Belgium Sweden	Norway Denmark Finland Iceland Switzerland Finland Holland Canada New Zealand Australia Sweden	Denmark Finland Iceland Norway Switzerland Finland Canada Holland Sweden Australia New Zealand	Denmark Switzerland Austria Iceland The Bahamas Finland Sweden Bhutan Brunei Canada	Costa Rica Vietnam Colombia Belize El Salvador Jamaica Panama Nicaragua Venezuela Bangladesh
Poland (42)	Poland (36)	Poland (no data)	Poland (51)	Poland (30)	Poland (42)	Poland (32)	Poland (99)	Poland (62)

Gini coefficient – is applied to measure the level of income inequalities. Its value ranges from 0 to 1 where a higher value of the coefficient indicates a larger scale of inequalities. In modern economies, the Gini coefficient ranges from 0.25 (the Scandinavian countries) to 0.70 (the countries of Africa and Latin America).

Source: Boston Consulting, \..., 2016; Social Progress..., 2016 ; The New Economics..., 2017; UNDP, Human , 2017; World Happiness... , 2018.

In the rankings of social development, the top positions are taken by Scandinavian countries.

With regard to the higher share of the subjective assessment provided by respondents (e.g. HPI) in the indices characterising life quality, the higher-ranking positions are taken by developing and weakly developed countries, which represent the poor South, most often identified with religiousness and a favourable warm climate. Next to them, the high positions are also taken by highly developed countries which are characterised by the balance between the level of economic development and social welfare and social capital. In the rankings characterising life quality, the top position is most

often occupied by Norway and Denmark.

These countries attach great significance to life and work conditions as well as to the question of sustainable development. The Nordic countries are characterised by exceptional transparency of public and social life and by a very low level of corruption. The Nordic model of social responsibility is the best one in the world. In these countries, there are practically no poor inhabitants, and the level of income inequalities is relatively low. Furthermore, any manifestations of one's wealth or high social status are disapproved. Apart from the highest level of wealth in the world, the secret of happiness reported by inhabitants of the Nordic countries consists in their modest requirements. Their sense of happiness results from a high level of trust towards other people, social activities and a sense of general safety. They strongly believe that they can decide about their own life.

In accordance with the Satisfaction with Life Index, apart from the most developed Western countries, among the top ten countries where citizens are happy and satisfied with their life, there are three small countries: the Bahamas, Bhutan and Brunei (White, 2015: 45). The Bahamas is a Christian and Protestant country, Bhutan is a Buddhist country and Brunei – an Islamic one. Hence, a particular religion is not a key factor affecting the social attitude towards life. The high position taken in the abovementioned ranking by the richest country of these three, the Bahamas, might be due to the vicinity of the USA, to its favourable climate, its beautiful and unique natural environment and also to the fact that the population of the Bahamas is the youngest in the world. Nearly 50% of inhabitants have not yet turned 30 and 15% of them have not turned 40. Bhutan is associated with its pristine natural environment, where people live their modest life in a close relation with nature. Until recently, there were no paved roads, nor any phones, radio or TV stations. Some changes have taken place over the last twenty years. The Internet appeared in 2000 and television – in 1999. The King of Bhutan introduced an idea of measuring the advancement and development of his country based on the level of happiness and psychical welfare reported by citizens in addition to hard economic indices (i.e. Gross National Happiness). The king decided that the traditional GDP does not include numerous factors related to satisfaction, such as care for natural environment, native culture, trust towards people and joy coming from close relations with nature. The philosophy of the government in Bhutan is oriented towards the development of spiritual and psychical richness which leads to the sense of fulfilment and happiness. Until recent times, there were no prisons in Bhutan and, terms such as *depression*, *suicide*, *commercialism* and *consumerism* were not known [Zwoliński, 2013, p. 56].

Brunei is a rich Muslim country with ample oil supplies – an absolute monarchy. Statistically, there are four cars per each Brunei citizen on average. People in Brunei and their companies do not pay any taxes, and they do not pay for health care and education. Contrary to other Islamic countries, in Brunei women enjoy full social rights, and they often take high positions. Citizens of Brunei have conceded some of their freedom to lead peaceful and wealthy life.

According to the HPI, there are no highly developed countries that could be listed among the happiest societies in the world, because this list is dominated by the countries of Latin America. In their culture, free time, family, tradition, community bonds and trust are as important as material wealth. The high positions in the HPI ranking taken by some less wealthy countries may also result from the fact that their citizens have fewer expectations and fewer needs than people living in highly developed societies, and they have a different hierarchy of values. It is also possible that they compare their present situation to that of previous years which were much worse for them, and this can be the source of their satisfaction.

CONTROVERSIES ON THE RELATIONS BETWEEN THE ECONOMIC SITUATION OF INDIVIDUALS AND STATES AND LIFE SATISFACTION

It is intuitively assumed that in the countries with a higher level of development, people are more satisfied with their life. However, it transpires that it is not always the case. In some regions of the world people are more satisfied with their life than might be expected from the level of development of their countries. In some other regions – they are less satisfied. For example, inhabitants of South America are explicitly optimistic, and those who live in Central and Eastern Europe present a pessimistic attitude towards reality.

In 1974, R. Easterlin was the first to officially highlight the fact that, in certain societies, people with higher incomes do not always report a higher level of life satisfaction [Easterlin, 2001: 17ff.]. In some countries where there is a certain level of wealth, the income growth does not increase life satisfaction. Easterlin explains this as due to increasing aspirations and the new, still unquenched needs of rich people. Such a phenomenon, however, can be explained in some different ways. The first one refers to the existence of positional goods, which are namely: products and services the value of which is assessed mainly in relation to other products and services [Hirsch, 1976: 157]. In other words, a rich Scandinavian person will not be happy with a new car if their neighbours and friends have equally good or better cars.⁶ Another possible explanation can be a theory developed by S Linder, stating that there is a conflict between a limited budget of time and the increased level of consumption. Above a certain level of income, people are not able to increase their consumption level, because they do not have time to do so [Linder, 1970: 243].

According to a circular model of happiness, the sense of happiness results from innate predispositions in about 50% of the population; it comes as a consequence of various circumstances such as health, family situation, social and economic status, rights and civil liberties - in 10% of them and it is an ability to have control over one's own life and to find its essence – in 40% of them [Sheldon, Lyubomirsky, 2007, 57ff.]. Two scientists from the University of Virginia and London Business School [Shigehiro

⁶ The suburbs of Washington in the region of Bethesda are inhabited by the richest, the best educated and the healthiest people in the USA. Despite this fact, about a half of them feel moderately or extremely unhappy. The situation is explained by the ubiquitous atmosphere of competitiveness.

Oishi and Selin Kesebir] provide a verification of the Easterlin paradox, stating that the explanation of that paradox can involve social inequalities. They claim that the level of inequalities in a particular country reflects the level of citizens' happiness better than the growth of the GDP [Oishi1, Kesebir, 2015].

According to Kahneman, the level of satisfaction with growing income depends on individual purposes and aspirations. It is enjoyed more by people who have defined wealth as their main target [Kahneman, 2010: 149].

Life in deep poverty negatively affects life satisfaction. It mainly refers to the countries which struggle with satisfaction of their citizens' basic needs and with political stability and conflicts. The least happy countries are the countries of Sub-Saharan Africa, Syria and Yemen. However, above a certain level of wealth, the limited possibilities of satisfying economic or social needs, which do not come as a direct threat to decent human existence, do not affect people's sense of well-being in a significant way, or at least they do not perform any significant role in this field. It is important for economic development to closely follow social changes and development of social capital. People compare themselves to others who live in similar conditions (to their neighbours, colleagues and relatives) – not to citizens of other countries or to people who represent extremely different social and income groups (e.g. millionaires or the homeless). People get used to their social and economic situation, and they develop adequate strategies for having a satisfying life.

CONCLUSIONS

Generally, it is possible to state that having reached a certain level of wealth, people enjoy relative wealth more than absolute wealth and then, the quantity becomes less important than the quality of consumption and speed required to satisfy one's needs. More and more expenses are spent on ostentatious and prestigious consumption which defines one's new identity and social position.

However, considering all social groups and various indicators of development and satisfaction, the fundamental factors which create and foster the sense of happiness are: health, youth, sense of security and belonging, predictability of life, rewarding job and satisfying income, personal freedom, social cohesion and solidarity, social support, having someone you can count on, sense of community and understanding for the common good, honesty in social life and fair governance. The key to boost national happiness is also for the general public to have a sense of the fair distribution of economic growth among citizens. The subjective evaluation of the sense of happiness and satisfaction is also affected by cultural models, religion, attitudes and expectations towards life. Living far from the centre decreases the influence exerted by the commercial culture, consumerism and rat race culture which are causes of serious stress, sense of loss, meaninglessness and lack of fulfilment.

REFERENCE

- Boston Consulting Group (2016). Report: Sustainable Economic Development Assessment. SEDA. BCG2016. Available at: <https://www.forbes.pl/wiadomosci/ranking-jakosci-zycia-szybki-awans-polski-i-32-miejsce/zzb10x3> (Accessed 5 June 2018)
- Credit Suisse (2017). Raport o globalnym bogactwie. Available at: <https://www.credit-suisse.com>. Accessed 30.03.2018.
- Easterlin, R., (2001). Income and Happiness: Towards a Unified Theory. *The Economic Journal*. 11
- Eurostat (2015), Quality of Life in Europe – Facts and View. Available at: http://ec.europa.eu/eurostat/statistics-explained/index.php/Quality_of_life_in_Europe_-_facts_and_views. Accessed 20.12.2017.
- GUS (2017). Dochody i warunki życia ludności (Raport z badania EU SILC 2017) Warszawa.
- Health Consumer Powerhouse (2017). Europejski Konsumentcki Indeks Zdrowia. Ranking EHCI 2016.
- Hirsch, F., (1976), *Social Limits to Growth*. Cambridge: Harvard University Press.
- Kahneman, D., Deaton, A., (2010). High income improves evaluation of life but not emotional well-being. *Proceedings of the National Academy of Sciences*. 107 (38) DOI: 10.1073/pnas.1011492107.
- Linder, S., (1970). *The Harried Leisure Class*. New York –London: Columbia University Press.
- Michoń, P., (2010). *Ekonomia szczęścia*. Poznań: Dom Wydawniczy Harasimowicz.
- OECD (2017). Better Life Index. Available at: <http://oecdbetterlifeindex.org/>. Accessed 20.04.2018.
- Oishi, S., Kesebir, S., (2015), Income Inequality Explains Why Economic Growth Does Not Always Translate to an Increase in Happiness. Available at: https://www.researchgate.net/publication/281513455_Income_Inequality_Explains_Why_Economic_Growth_Does_Not_Always_Translate_to_an_Increase_in_Happiness, DOI: 10.1177/0956797615596713 · Source: PubMed.
- Polak, E., (2016). Jakość życia w polskich województwach - analiza porównawcza wybranych regionów. In: Woźniak M., G. (ed.). *Zeszyt Naukowy 48(4/2016) Uniwersytetu Rzeszowskiego. Nierówności społeczne a wzrost gospodarczy*. Rzeszów: Wyd. U Rz.
- Sheldon K.M., Lyubomirsky S. Available at: (2007), Trwały wzrost poziomu szczęścia: perspektywy, praktyki, zalecenia. In: Linley, A., S., Joseph S. (eds.). *Psychologia pozytywna w praktyce*. Warszawa: Wydawnictwo Naukowe PWN, , pp. 87-111.
- Social Progress Imperative, FAQ (2016). Social Progress Index (2016). . Available at: <http://www.socialprogressimperative.org/>. Accessed 20.04.2018.
- Stevensin, B., Wolfers, J., (2017). Economic Growth and Subjective Well-Being. Gallup Research Reports . Available at: <http://www.gallup.com>. Accessed 20.12.2017.
- UNDP (2017). Human Development Report, New York.
- The New Economics Foundation (2017). Happy Planet Report. Nowy Jork. Available at: <http://www.happyplanetindex.org>. Accessed 20.04.2018.
- White, A., G., (2015). Satisfaction with Life Index, University of Leicester. Available at: <http://en.wikipedia.org>. Accessed 2.05.2018.
- Wiking, M., (2017). *Hygge - klucz do szczęścia*. Kopenhaga: Instytut Badań nad Szczęściem.
- World Happiness Report (2018) . Helliwell, J., F., Layard R., Sachs, J., D. (eds.), New York. Available at: <http://issuu.com/yasumiin/docs/whr158>, <http://world>. . Accessed 28.05.2017.