Socio-Economic Determinants of Happiness: The Case of Afghanistan[1]

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Mutluluğun Sosyoekonomik Belirleyicileri: Afganistan Örneği[2]

Abstract

The study empirically investigates the determinant factors of happiness in Afghanistan using ordered logistic and probit regression models. In the study, cross-sectional data collected from 74,351 people in the 2019 survey of the Asia Foundation in 34 provinces of Afghanistan was employed. Our findings confirm that age, marital status, employment, education level, income, foreign language ability, perception of the country's future direction, and change in the household economic situation are the key variables affecting the happiness of individuals in the country. The positive impact of the family size variable on happiness has been the study's key finding.

Keywords : Happiness, Socio-Economic Status, Life Satisfaction.

JEL Classification Codes : Z10, Z00, Z13.

Öz

Bu çalışmanım amacı Afganistan'da mutluluğu belirleyen faktörleri sıralı lojistik ve probit regresyon modelleri kullanarak deneysel olarak araştırmaktır. Çalışmada, Asya Vakfı tarafından Afganistan'ın 34 ilinde 2019 yılında 74.351 kişiden toplanan yatay kesit verileri kullanılmıştır. Araştırmada yaş, medeni durum, istihdam, eğitim düzeyi, gelir, yabancı dil yeteneği, coğrafi farklılıklar, bireylerin uzlaşmaya ve ülkenin gelecekteki yönüne ilişkin algısı ve hane ekonomik durumundaki değişimin ülkedeki bireylerin mutluluğunu etkileyen temel değişkenler olduğu tespit edilmiştir. Aile büyüklüğünün mutluluk üzerindeki olumlu etkisi bu çalışmanın ana bulgusu olmuştur.

Anahtar Sözcükler : Mutluluk, Sosyoekonomik Durum, Yaşam Memnuniyeti.

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1. Introduction

Happiness is one of the most important human psychological needs due to its significant effects on the formation of human personality, and life has occupied the human mind for ages. One of the most important points is achieving happiness, strengthening it, and knowing the variables affecting its achievement. The final aim of every individual is the "*pursuit of happiness*". It is affected by a large number of economic and non-economic factors. Therefore, one of the critical duties of happiness research is to figure out what circumstances and factors affect individual happiness and to what degree. Recently economists have started identifying determinants of happiness. This has been possible due to the greater accessibility of micro-level data from different surveys. Information on socio-demographic characteristics and other activities and indicators has been linked with answers about happiness.

From ancient times the positive emotions of human beings, such as happiness, have been paid attention to and are one of the most talked-about and heated topics of discussion for researchers in different fields, including economics and psychobiology. Despite the conceptual difference that happiness, life satisfaction and well-being have, in most of the relevant literature, these terms are used interchangeably (Seligman, 2004; Diener, 2009). Therefore, we use the term happiness in this research. Happiness, also termed subjective well-being in the relevant literature, is an emotional concept, and in most definitions of happiness, positive emotions are concentrated. According to Aristotle, there are four happiness levels; At the lowest level is the happiness received from material objects, which is short-lived. At the second level, happiness is obtained from comparisons like promotions and winning titles. The third level is the happiness of helping others and bringing about positive societal changes. The highest level is happiness from spirituality and a sense of perfection (Eysenck & Eysenck, 1994). Even though psychologists have begun to pay attention to positive emotions as the definition of happiness these days, Tatarkiewicz defined life satisfaction as contentment with past, present, and future events in life, meaning satisfaction with what life was, what it is, and what it will be. Also, the philosophical definition of well-being is given as the "*notion of how well a person's life is going for that person*" (Crisp, 2001). Life satisfaction is a cognitive concept. It contains individuals' assessments of their lives compared to living standards. This means that individuals pass judgment regarding their life and what it should be in life satisfaction.

According to Argyle (2001), research on happiness started in 1960, and various organisations have surveyed happiness. In most happiness-related studies, three basic dimensions and orientations have been spotted and analysed: i) measuring the level of happiness and providing tools for measuring happiness; ii) the primary determinants and elements affecting happiness; iii) the ways of increasing happiness. Research about happiness is important because the eventual goal of most human beings is to be happy. Also, study about personal happiness contributes to different aspects of life. Still, it is mainly important for understanding the determinants and conditions that increase individual happiness since there is a wide range of factors affecting this phenomenon. Happiness

research helps us understand the relative importance of different factors contributing to personal happiness. Additionally, it's important to recognise human behaviour, analyse the consequences of happiness on behaviour, and investigate whether happiness is a cause or an effect. Lastly, happiness research is significant for economic policies because different policies have different impacts on society and all economic policies have trade-offs.

Every year different organisations publish reports regarding the World's happiest people. According to the World Happiness Report in 2020, the people of Afghanistan are among the saddest in the World. This study aims to identify the main socio-economic and demographic factors affecting happiness in the country. We believe that in the context of Afghanistan, just as in the rest of the world, there are several socio-economic and demographic determinants affecting the happiness of individuals. To the best of our knowledge, there is not an analytical or empirical study regarding the determinants of happiness in the context of Afghanistan. The other purpose of the study is to deliver identification about the effect of people of Afghanistan's socio-economic conditions on their happiness. Compared to other advanced and developing countries, it is characterised by meagre participation rates in the labour market, deficient levels of education, rampant poverty and corruption in government institutions, insecurity and substantial regional differences in terms of per capita income and other economic indicators. It is worth mentioning that we tried to find similar studies in countries that face conflict situations like Afghanistan. Still, unfortunately, no studies were found in the said category of countries. This study will help lay out the foundation for further studies in countries facing conflict situations like Afghanistan.

To study the effect of different determinants on happiness in Afghanistan, we use individual-level survey data from the Asian Foundation. The survey of the Asia Foundation provides rich data on political interests, trust in government, participation in elections, socio-political orientations, poverty, unemployment, and other issues. As a result of this study, we will know the comparative importance and impact of different literature-based variables on happiness in the context of Afghanistan. This study will also help policymakers consider these factors in decision making.

This study consists of five sections. Section one looks at the introduction. Section two reviews and looks at the main literature contributions of the impact of different determinants and variables on happiness. Section three explains variables, data set and methodology. Section four contains empirical analysis and results of the study. Section five contains the conclusion of the study.

2. Literature Review

Happiness is a key concept in mental health affecting different aspects of human life. There are various definitions of happiness, but most have focused on positive emotions. In a general definition, happiness can be defined as a general cognitive evaluation of the quality of one's own life (Diener, 2000). For centuries happiness has been a key theme in psychology

and political science, and recently, it has attracted the attention of economists too (Diener et al., 1999). The interest of economists was drawn to the topic of happiness, its determinants and measurement after the 1993 symposium in London, the proceedings of which were later published in the Economic Journal and elsewhere. In the 1990s, economists began conducting a large-scale empirical analysis of the determinants and factors of happiness in various contexts. Scholars from different disciplines have focused on one aspect or dimension more than another (Frey, 2010). Below, we look at the further research that has touched upon different angles and determinants of happiness in other contexts.

Some studies have found that the factors affecting happiness in different cultures and societies are different. Happiness is defined by personal achievement and self-esteem in North American cultural contexts. Individuals in these countries try to increase happiness by experiencing positive effects. Contrary to this, in East Asian Culture, happiness is defined by interpersonal connectedness. Individuals in this area are trying to balance positive and negative effects.

Moreover, in East Asian countries, happiness is predicted by the perceived embeddedness of the self in society and social relationships (Uchida et al., 2004). According to Diener, cultural and societal determinants affect happiness and life satisfaction differently. First, some countries can meet people's basic needs, like food, drinking water, and health care; such people report relatively higher rates of happiness. Another impact of culture is to change the associates of happiness by affecting individuals' goals and values. Lastly, variations in confidence and positivity, social support, coping habits and the degree of control of individual desires seem to lead to variations in cultural influences on mean happiness levels.

Researching subjective well-being, economists generally assume that it follows a U-shaped pattern with age. Data sourced from a broad Norwegian survey project proves that this is valid in cognitive well-being or life satisfaction, but not emotional well-being (happiness) that decreases with age. Paul and Tony cited a study by Blanchflower and Oswald in their analysis of the relevant literature as "*the most comprehensive to date*", with "*approximately 800,000 respondents from 60 countries who all reported a U-shaped relation in terms of happiness and age*" (Paul & Tony, 2012). Not all economists agree on this subject; according to Paul and Toney, some economists have defined the relationship between age and happiness as flat, gradually declining, or even contrariwise U shape. Also, Servet (2017), using data collected by a questionnaire from the Turkish Statistical Institute (TÜİK), has studied the relationship between age and happiness in the context of Turkey and has found that happiness has a positive relationship with age, a similar result is reached by (Sönmez & Sönmez, 2018) in the mentioned context. Graham has investigated the impact of age on happiness. He has found turning points in people's happiness according to age. He has found a U-shaped relationship between age and happiness in 44 of the 46 countries (Graham, 2017). To know the relationship between age and happiness, we also add a categorical variable for the period in the context of Afghanistan.

Another critical factor that affects happiness, according to some studies, is marital status. According to studies, happiness in adults has a lot to do with marital status. In the view of Lykken (1999), the process of married life and its relationship with the level of happiness has a U shape. According to him, when a person decides to get married, his happiness increases; when the marriage takes place, the happiness created decreases once again, and this decrease continues until the children reach youth. After this period, happiness rises again to reach its initial level. Servet (2017) has found that married people report lower happiness over time. According to Diener et al. (1999), married people are happier than those who have never been married or separated or have lost their spouse. Stack (1998), controlling for other sociodemographic variables and using data collected by the World Values Study Group on seventeen industrialised nations, have reached similar results regarding the impact of marital status on happiness. He has found that in 16 out of 17 countries, married individuals reported a significantly high level of happiness than single ones. Similar result is found in other researches (Akın & Şentürk, 2012; Sönmez & Sönmez, 2018). To see if this relationship is also valid in Afghanistan, we include marital status as a categorical variable with three categories: single, married, and widowed, to the list of explanatory variables in this study.

Some studies have looked at the effect of income on happiness and how income affects happiness. In research, Tella, MacCulloch, and Oswald (2003) discovered that macroeconomic movements significantly affect people's happiness. From the 1970s to the 1990s, they found strong microeconomic trends in the psychological well-being levels of a quarter of a million randomly sampled Europeans and Americans. According to the research, happiness equations increase monotonously with income and have a similar structure in different countries. They also discovered that increases in happiness are linked to macroeconomic variables such as gross domestic product. However, some studies contradict and are dubious about the importance of increasing real income on happiness. It is difficult for standard economics to explain the various empirical puzzles. In this regard, an important paradox is that while real per capita income has increased significantly in some countries since World War II, the happiness of individuals has remained constant or even slightly decreased. For example, real per capita income in the United States increased by 2.5 from 1946 to 1991, but happiness has not changed and remained constant during the same period. This paradox in happiness research has been called the "*Easterlin Paradox*". According to Helliwell, Layard, and Sachs (2012), the reason for this paradox is that people compare themselves to others. However, this paradox in happiness was blamed by other economists, including Clark, Frijters, and Shields (2008). They used micro-level data and found that individual-level happiness had increased in the same period, and there was a connection between personal happiness and income. Çirkin and Göksel (2015) examined the impact of income on happiness. They found that satisfaction with income leads to increased happiness, not the payment itself. Similar results that income affects happiness have been reached by other researchers (Erdogan et al., 2012; Köksal & Şahin, 2015). In this study, we also assume that other factors affecting the happiness of individuals in the context of Afghanistan are

income and changes in the household economic situation. Therefore, we consider them as
explanatory variables in the context of Afghanistan.

Most research findings on the subject topic show that employment status plays a key
role in happiness. When people lose their job and get unemployed, they experience a sharp
decrease in happiness until they are reemployed (Blanchflower & Oswald, 2004; Clark &
Oswald, 1994; Winkelmann & Winkelmann, 1998). Studies also found that high
unemployment has negative spillovers not only on the unemployed but also employed
because due to a higher level of unemployment, the employed also feel insecure (Green,
2011). Tait, Padgett, and Baldwin (1989) have found a strong relationship between
employment and happiness. Cheng, Wang, and Smyth (2014), in the context of China, have
found that the first generation of local migrants who are employed and satisfied with their
jobs are happier than the new generation of local migrants, citing the reason that the
aspiration of the new generation of migration change rises fast. In the context of Afghanistan,
we assume that those employed or have money-generating activities report higher happiness
than those who do not. Therefore, we include employment status or money generating
activity as an explanatory variable in this study.

In happiness related literature, family size is also found to be a key factor affecting
happiness. Scoppa and Ponzo (2008) have found that family size negatively affects
happiness in the context of Italy. Other studies have also found that children and family size
are negatively affecting happiness (Köksal & Şahin, 2015; Sönmez & Sönmez, 2018).
Therefore, we also add family size as an explanatory variable in Afghanistan.

A lot of research has investigated the effect of education on happiness. Cuñado and
de Gracia (2012), in Spain, using individual-level data sourced from the European Social
Survey, have found that higher education affects income and employment opportunity, thus
affecting happiness. They have found that the education level is not directly affecting
happiness. Scoppa and Ponzo (2008) have found that education affects happiness in Italy's
context; they have discovered that teaching increases happiness. Also, using data from TÜİK
in 2008, Bülbül and Giray (2011) in the context of Turkey have found that education is
positively affecting happiness. A similar result is reached by (Köksal & Şahin, 2015) in the
mentioned context. Therefore, we add education level as a categorical explanatory variable
in this study. We look at the relationship between different categories of education and
happiness in the context of Afghanistan.

According to different studies, residence and origin of living are yet other factors
affecting individuals' happiness. Scoppa and Ponzo (2008) have found that individuals in
the South of Italy and big cities are less happy. Brereton, Clinch, and Ferreira (2008) using
geographical information systems and data at the disaggregated individual and local level,
have explored the impact of geography on happiness in the context of Ireland. They have
found that climate and environmental and local conditions play a key role and affect the
happiness of individuals. Due to the diverse nature of climate and differences in
environmental factors in Afghanistan, we use two separate variables, geographic code

containing rural and urban areas and geographic region, in this study to explore the relationship and impact of geography and environmental factors on the happiness of individuals in the country. Additionally, due to the difference in security and local conditions in different country regions, we use victimisation of torture, individual perception of reconciliation and the country's future direction as explanatory variables in this study.

Also, in the study, it is pretended that the ability to speak a foreign language is yet another factor affecting the happiness of individuals because those who can communicate in a foreign language can have access to different information.

3. Data and Methodology

3.1. Data

To analyse the determinants of happiness in the context of Afghanistan, we use a nationally representative survey of the Asia Foundation, which was conducted in 34 provinces of Afghanistan. The mentioned survey was run from 2004 to 2019 in the country. The data used in this study is cross-sectional and belongs to 2019. Different individuals were asked in the survey. The survey is nationally representative since it covers all provinces of Afghanistan and other categories of society. As shown in Table 1, from the 74,351 persons who have been asked about their state of happiness in the data set, the per cent of females is nearly 49, and the percentage of males is almost 51. The Asia Foundation Survey of the people of Afghanistan contains data on different topics, including happiness. For this purpose, we use a wide range of explanatory variables of various natures, including discrete, binary and categorical variables. Our dependent variable in the study is happiness. Explanatory variables include education level, age, income, foreign language ability, geographic code and region, employment status, marital status, income, family size, the perspective of individuals on the possibility of reconciliation between the government and Taliban and the future direction of the country, the experience of torture and change in household economic situation. Tabulation of the 74,351 Afghan people who were asked in 2019 about their state of happiness in the survey is displayed in Table 1.

Table: 1
Tabulation of Data by Gender

Gender	Freq.	Per cent	Cum.
Female	36,561	49.17	49.17
Male	37,790	50.83	100.00
Total	74,351	100.00	

Table 2 below displays a complete list of the variables and their descriptions used in the analysis.

Table: 2
Description of the Variables

Variable	Description
Happiness	Categorical variable. Answer to the question "*In general in your life, would you say you are very happy, somewhat happy, not very happy, or not at all happy?*". It takes: 1 (not at all happy), 2 (not very happy), 3 (somewhat happy), 4 (very happy).
Employment	**The dummy variable takes 0 if the respondent does not have any money generating activity and 1 if the respondent has money generating activity.**
Income	It is a continuous variable that takes values between zero and infinite.
Reconciliation	**Dummy variable taking 1 if the respondent thinks the reconciliation is possible and 2 if the respondent thinks reconciliation is impossible.**
Marital status	Marital status is a categorical variable taking one if the respondent is a widower, 2 if the respondent is single, and 3 if the respondent is married.
Family Size	**A discrete variable that shows the number of family members. It takes values between 1 and infinite.**
Age	Age category in this study is a discrete variable taking values: 1 if the respondent's age is (18-25), 2 if the respondent's age is (26-35), 3 if the respondent's age is (36-45), 4 if the respondent age is (46-55), and 5 if the respondent's age is above 55.
Geographic region	**It is a categorical variable taking 1 if the respondent comes from Central/Kabul, 2 if the respondent comes from Central/Highland, 3 if the respondent comes from Est, 4 if the respondent comes from Northeast, 5 if the respondent comes from Northwest, 6 if the respondent comes from Southeast, 7 if the respondent comes from Southwest and 8 if the respondent comes from the West of the country.**
Education level	Categorical variable taking the following values: 1 (No formal), 2 (Primary), 3 (Secondary), 4 (High school), 5 (University), 6 (Informal).
Geographic code	**Binary variable taking 0 if the respondent lives in a rural area 1 if lives in an urban area.**
Country direction	Dummy variable taking values of 1 if the respondent thinks that the country is going in the right direction and 2 if the respondent thinks the country is going in the wrong direction.
Change in the household economic situation	**Categorical variable showing the change in household economic situation. It takes one of them there is no change in the household economic situation, 2 if it has improved and 3 if it has worsened.**
Victimisation of violence	Dummy variable taking 1 if the respondent is not a victim of violence and 2 if the respondent is a victim of violence.
Foreign language ability	**Dummy variable taking 0 if the respondent cannot speak a foreign language and 1 if the respondent can speak a foreign language.**

Source: The data is obtained from the Survey conducted by the Asia Foundation in 2019 on 74,351 Afghan people.

3.2. Method

In terms of the econometric method, just as in the rest of the studies on happiness and its determinants, in this study, we consider responses of individuals to the question "*in general in your life, would you say you are very happy, somewhat happy, not very happy, or not at all happy?*". Answers to the question are based on a scale from 1 to 4, where 1 represents not at all happy, and 4 means very happy. Since our dependent variable is ordinal, ordered logistic and probit regression models are used in this study. Also, it is worth mentioning that the data used in this study is cross-sectional. Different individuals are asked in the survey. The model used in the study is as follows;

$$h_i = \alpha + \sum \beta_i x_i + \epsilon_i \tag{1}$$

Equation (1) h shows the answer of the respondent to the question "*How happy you are?*", i stands for the respondent, α is constant of the model showing the effect of all the variables affecting happiness which are held constant in this model, β is regression coefficient, x represents a set of variables affecting happiness and ϵ shows error term in the model. Since our dependent variable is ordinal, we apply ordered logistic and probit regression models.

4. Empirical Results

Because our dependent variable (happiness) is ordinal, we used ordered logistic and probit analyses in this study. We have placed all of the explanatory variables (based on literature) in the same model, meaning we do not control for any variable extracted from relevant literature. A base category is considered for each explanatory variable (except discrete variables). Levels of happiness are interpreted as an ordinal measure. This means that higher levels show higher utility, but it does not assert that the change in happiness is proportionally equal to the level change. In the model, the signs of coefficients show the direction of the relationship between explanatory and dependent variables, whereas the absolute value of coefficients shows the strength of the relation. STATA statistical package is used in the analyses.

The results of the ordered logistic analysis are presented in Table 3 below, and the results of the probit regression analysis are given in appendix 1. As shown in the Tables of ordered logistic and probit regression, they both show similar results. As shown in the ordered logistic regression in Table 3, nearly all variables included in the model are statistically significant. While some of the explanatory variables, including *employment, geographic code, income, marital status, education level and family size,* have a statistically significant and positive impact on happiness, other variables, namely, *victimisation of torture, negative perspective on reconciliation between government and Taliban* and *the country's future direction* have a statistically significant and negative impact on happiness.

As shown in Table 3, since the coefficient of employment in the model is positive and statistically significant (p-value < 0.05), we conclude that employment is an important factor leading to a higher level of happiness for individuals. In the case of Afghanistan, those who are employed are happier than those who are not. Our finding in this regard supports those of (Blanchflower & Oswald, 2004; Clark & Oswald, 1994; Winkelmann & Winkelmann, 1998), who found that unemployment leads to a decline in the happiness of individuals in different contexts.

In terms of the impact of *income* on the happiness of individuals, we found that income is positively affecting happiness (coefficient is positive and statistically significant, p-value < 0.01). It is worth mentioning that the impact of income on happiness is very low (the coefficient's absolute value is low) in Afghanistan. Its reason could be attributed to the fact that individuals whose incomes are high may lead relatively comfortable life (controlling for other factors) compared to those whose income is low. Our finding is in line with those of (Clark et al., 2008), who reached similar results regarding the mentioned relation. We recommend a separate study of the high-income earners who are more satisfied with their income than low-income earners to compare our result with that of Çirkin and Göksel (2015). They found satisfaction with income to be a key factor in increasing happiness.

Regarding the impact of *geographic cod* on the happiness of the people of
Afghanistan, as Table 3 shows, its coefficient is positive and statically significant (p-value
< 0.01). This means that individuals who live in urban areas of Afghanistan are happier than
those who live in rural areas. In this regard, our finding is not in line with that of (Scoppa &
Ponzo, 2008), who found that people who live in big cities are less happy in the context of
South Africa. The higher levels of happiness in urban areas of Afghanistan could be
attributed to the relatively reasonable access to public services.

Table: 3
Ordered Logistic Regression Results

Happiness	Coef.	St.Err.	t-value	p-value
Employment				
Employed	0.054**	0.021	2.57	0.010
Income	7.77e-06***	8.51e-07	9.14	0.000
Geographic code				
Urban	0.027***	0.026	7.79	0.000
Victimisation of Violence				
Victim	-0.260***	0.026	-10.40	0.000
Reconciliation				
Positive View	-0.324***	0.020	-15.82	0.000
Country direction				
Wrong direction	-0.439***	0.021	-20.55	0.000
Family Size	0.007***	0.003	2.66	0.008
Marital Status				
Single	0.387***	0.077	4.99	0.000
Married	0.419***	0.070	6.01	0.000
Age Category				
26-35	-0.054*	0.029	-1.83	0.067
36-45	-0.115***	0.032	-3.61	0.000
46-55	-0.142***	0.038	-3.71	0.000
55+	-0.068	0.045	-1.50	0.135
Region				
Central/Highland	0.068	0.049	1.37	0.171
East	-0.103***	0.037	-2.79	0.005
Northeast	0.062*	0.035	1.76	0.079
Northwest	-0.205***	0.035	-5.83	0.000
Southeast	-0.431***	0.042	-10.21	0.000
Southwest	-0.489***	0.036	-13.40	0.000
West	-0.574***	0.038	-15.11	0.000
Education level				
Primary	0.086***	0.028	3.10	0.002
Secondary	0.009	0.039	0.25	0.806
High school	0.287***	0.027	10.33	0.000
University	0.591***	0.061	9.66	0.000
Change in Economic Situation				
Better	0.508***	0.026	19.30	0.000
Worse	-0.427***	0.023	-18.86	0.000
Foreign Language Ability				
Able to Speak	0.215***	0.521	4.13	0.000
Pseudo r-squared	0.043			
Chi-square	3721.996			

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$

As shown in the logistic regression result in Table 3, personal or family members'
experience of torture, individuals' negative perception of the possibility of *reconciliation*
between government and Taliban as well as pessimistic perception of the country's *future
direction* are all negatively affecting happiness in Afghanistan (all coefficients are negative
and statistically significant, p-value < 0.01). In this regard, our finding is in line with
(Brereton et al., 2008). This means those who are not victims of torture, who are optimistic

regarding reconciliation and the country's future direction, are happier than those who are victims of torture and have a negative perception regarding reconciliation and the country's future direction.

The interesting point in this study is that we expected *family size* to negatively affect happiness, just as in the rest of the studies. Still, in contrast to our expectation, we found that family size in the context of Afghanistan has a positive and statistically significant impact on happiness (p-value < 0.01). This means that members of large families are happier than those of small ones. Its reason could be the high level of interdependency between members of families and the difference in lifestyle in the country from the rest of the countries. In this regard findings of our study are not in line with those of (Köksal & Şahin, 2015; Scoppa & Ponzo, 2008).

Also, we found that *marital status* is also a key factor affecting the happiness of Afghanistan's people. Just as Table 3 shows, those who are single and married have reported a higher level of happiness (both coefficients are positive and statistically significant, p-value < 0.01) compared to the base category. Comparing coefficients of married and single individuals, it can be seen that the coefficient of married individuals is more significant than that of single ones (0.419> 0.387). Therefore, we can conclude that married people are happier in Afghanistan. The findings of our study support those of (Diener et al.,1999; Akın & Şentürk, 2012; Sönmez & Sönmez, 2018), who found that married individuals are happier compared to those who have never been married, widowed or divorced.

In terms of the impact of *age* on happiness, as shown in Table 3, age reduces happiness (coefficients are negative and statistically significant). The lowest level of happiness occurs between 46-55 (its coefficient is negative and takes the most considerable absolute value among all of the age-relevant categories). In Afghanistan, youth between 18-25 are happier than the rest of the age groups.

In terms of *region*, it also significantly affects individuals' happiness (all coefficients are statistically significant, except central/highland). As shown in Table 3, the highest positive coefficient among all geographical regions belongs to the central highlands. But its coefficient is statistically not significant. Residents of the Northeast are happier since its coefficient is positive and statistically significant. Also, regionally residents of Western regions of Afghanistan have the lowest coefficient and are statistically significant at one per cent. To explore its reason, we recommend separate research in this regard too. The finding of our study in the mentioned context supports that of (Brereton et al., 2008), who also found that regional differences are a key factor in happiness.

Education completion level also has a positive and statistically significant impact on the happiness of individuals in Afghanistan (coefficients are positive and p-value < 0.01, except for secondary education). As shown in Table 3, a gradual increase in coefficients of education category from primary to university, except for secondary education, is seen. The highest coefficient value among all education relevant categories belongs to university

graduates. If education is taken into account, university graduates are happier (controlling for other variables) in Afghanistan. Since the owners of secondary education are less happy than those of primary education (the coefficient of secondary education is smaller than that of primary education), we recommend separate research to explore its reasons. A similar result was reached by (Cuñado & de Gracia, 2012; Scoppa & Ponzo, 2008; Bülbül & Giray, 2011), who found in Spain and Italy that the education level is one of the determining factors of the level of happiness of individuals.

In Afghanistan, *change in a household economic situation* also significantly affects happiness (coefficients are statistically significant, p-value < 0.01). Those whose household economic situation has improved are happier. Controlling for other variables, those whose household economic situation has worsened are less happy (coefficient is negative and p-value < 0.01). It could be true because as a result of the improvement in the household economic situation, individuals can have access to better and more goods and services and lead a relatively comfortable life.

The ability to *speak a foreign language* is another important factor affecting the happiness of individuals in the context of Afghanistan (coefficient is positive and statistically significant). In Afghanistan, those who can communicate in a foreign language are happier than the base category. It could be due to the information they receive.

5. Conclusion

Different reasons can explain the increasing interest and literature about happiness and its determinants in various contexts, including developing and developed countries. According to most studies, including our own, happiness is affected by many socioeconomic factors. Monetary indicators alone are not sufficient measures of the happiness of people. Happiness survey data are a reliable and valuable way for economic analysis in this regard. Determinants of happiness have been debated and studied in various countries recently. These studies give more information about how different factors affect people's happiness. One of the main challenges in happiness-related studies is the subjectivity of assessments; just as in the rest of the studies, this issue has not been addressed.

This study aims at examining and empirically analysing determinants of happiness in Afghanistan. Using ordered logistic and probit regression analyses and the 2019 Asia Foundation Survey data to assess the micro-econometric happiness equation for the country, we found that just as in the rest of the World, happiness is affected by a large number of socio-economic factors, including age, marital status, employment, family size, education level, income, regional differences, perception of individuals regarding reconciliation and direction of the country and change in household economic situation. The positive impact of family size on the happiness of individuals is the key finding of the study. Our results confirm no remarkable difference in terms of the determinants of happiness in Afghanistan from the rest of the World. Briefly, our findings show that married and single individuals compared to widowed and those who have not experienced torture and have a positive

perception regarding reconciliation and the country's future direction are happier. Similarly, according to the regression estimation, youth between 18-25, members of big families, residents of urban areas, university graduates, those who can communicate in a foreign language and those who have money-generating activity and whose household economic situation has improved are happier and report a higher level of happiness in Afghanistan.

Consequently, our findings show how important economic and non-economic factors, including the perception of stability and the country's future direction, are for happiness. Important policy implications can be extracted from this analysis. For example, since unemployment, education and perception of stability have huge psychological impacts, and its perceived negative impact is much stronger than the loss of income, responsible authorities should provide individuals with employment opportunities and pay special attention to the factors affecting the happiness of individuals. Also, the Covid-19 pandemic and its related deaths and economic effects are a great source of concern and continue to be an important threat worldwide. Just as in the rest of the world, the Covid-19 pandemic has led to further unemployment and psychological effects due to exacerbation of the shaking economic situation in the country. Therefore, special attention is needed to be paid to avoid its economic and psychological effects.

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Appendix: 1
Ordered Probit Regression Results

Happiness	Coef.	St.Err.	t-value	p-value
Employment				
Employed	0.032***	0.012	2.63	0.009
Income	4.16e-06***	4.34e-07	9.60	0.000
Geographic code				
Urban	0.122***	0.016	7.89	0.000
Victimization of Violence				
Victim	-0.156***	0.015	-10.72	0.000
Reconciliation				
Positive View	-0.188***	0.012	-15.80	0.000
Country direction				
Wrong direction	-0.260***	0.013	-20.73	0.000
Family Size	0.004**	0.001	2.35	0.019
Marital Status				
Single	0.224***	0.044	5.08	0.000
Married	0.249***	0.040	6.23	0.000
Age Category				
26-35	-0.035**	0.017	-2.03	0.043
36-45	-0.066***	0.019	-3.57	0.000
46-55	-0.080***	0.022	-3.62	0.000
55+	-0.043	0.026	-1.62	0.104
Region				
Central/Highland	0.030	0.029	1.05	0.294
East	-0.041*	0.022	-1.89	0.059
Northeast	0.048**	0.020	2.35	0.019
Northwest	-0.106***	0.020	-5.16	0.000
Southeast	-0.237***	0.025	-9.64	0.000
Southwest	-0.275***	0.021	-13.07	0.000
West	-0.316***	0.022	-14.32	0.000
Education level				
Primary	0.050***	0.016	3.06	0.002
Secondary	0.006	0.023	0.26	0.791
High school	0.173***	0.016	10.63	0.000
University	0.343***	0.036	9.62	0.000
Change in Household Economic Situation				
Better	0.293***	0.016	18.87	0.000
Worse	-0.259***	0.013	-19.78	0.000
Foreign Language Ability				
Able to Speak	0.127***	0.306	4.16	0.000
Pseudo r-squared	0.044			
Chi-square	3808.984			

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$