

Subjective Well-Being in India: Socioeconomic and Demographic Determinants and Differentials

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ABSTRACT

Background: In the face of impressive performance in development indicators but poor ranking in the human development indicators, the subjective well-being in India has not been increasing commensurately with the rise in income. The lack of direct long-run relationship between income and happiness in India is a paradox that needs a deeper understanding of the influence of socioeconomic and demographic factors on subjective well-being over space and time.

Methodology: The data from five waves of the World Values Survey of India for 24 years over the period 1990-2014 are used. The socioeconomic and demographic determinants of subjective well-being are analysed using chi-square test. The distribution of subjective well-being indicators - happiness, life satisfaction and financial satisfaction - at the group level are examined.

Results: The average levels of life satisfaction and happiness have not increased commensurately with income and economic growth over time in India. The happiness level remains constant and life satisfaction and financial satisfaction declined with sharp variations across background characteristics of people and over space and time. Happiness distribution is left-skewed and life satisfaction is related, but not uniformly, with income. Significant differences in well-being exist with respect to education, income, social class, religion, age, marital status and health, but not much with employment and gender.

Conclusion: The subjective well-being levels of people of India are influenced by their socioeconomic status with varying degree among different socioeconomic and demographic groups.

Keywords: Subjective well-being, growth, income, socioeconomic and demographic differentials, chi-square test.

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INTRODUCTION

The avowed goal of every individual is to achieve greatest happiness and every nation is to bring maximum happiness for the greatest number of its people. Most public policies are designed to raise the income levels and living conditions of people with the aim to enable them to lead a happy and satisfying life. Following the early philosophical foundations of happiness, psychologists, sociologists and recently economists have expended on happiness research. Economists now embrace the psychological measure of subjective well-being, the most and often used measure being self-reported life satisfaction, an evaluation of one's own level of happiness and reported by himself. Economists now relate happiness with their conventional concerns like higher economic growth, maximising utility, decreasing poverty, inequality and unemployment, improving indicators of health and environmental standards, etc. It is believed, in fact plausible, that both the objective and subjective well-being are very much related to money or income, as money brings everything people want and happiness is not an exemption. More money/income buys more goods and services that satisfy the material desires of humans. Therefore, it is commonly believed, and in fact observed,

that rich people and wealthier countries tend to be happier than poor people and countries with less wealth. But cross-country evidence demonstrates that the rise in subjective well-being is not commensurate with the rise in income, the average level of well-being in any country does not increase correspondingly with an increase in average income, there is not much gap in the happiness levels between rich and poor countries and rich and poor within a country, and more importantly, there is nil long-run relationship between income and life satisfaction [1-7].

Whether money buys happiness remains an unresolved mystery in the literature. If income does not affect subjective well-being, then what influences happiness and life satisfaction? If an increase in income does not mean happiness gain, what phenomenon can explain the lack of relationship between the two important aspects of life? How should the gap between income and subjective well-being be understood? The paradoxical income-happiness relationship is particularly perplexing in the Indian context as India has the tag of fast-growing economy, which is expected to be one of the three major economic powers of the future world, amidst sizable poverty but surprisingly growing sizable millionaires. With rich cultural diversity and demographic dividend, India is the 10th largest economy in the world in terms of nominal GDP and 3rd largest country in terms of purchasing power parity (PPP). Following the economic reforms of the early 1990s, not only economic and income growth accelerated but also other human, social, demographic, financial and development indicators significantly improved breaking the 'vicious to virtues' circle. However, the emphasis on rapid economic growth has also produced some undesirable consequences, the most notorious being rising inequality not only in income but also in consumption and living standards causing social disharmony. Many statistics associated with inequality show that the rich continue to become richer and the poor are becoming more poorer with unequal access and utilisation of resources.

With contrasting growth scenario, the average Indian is not happy and less satisfied with life. The overwhelming socioeconomic and income changes exert significant changes in the meaning as well as the levels of well-being in India. The 2018 World Happiness Index of the United Nations places India with a rank of 133 among 156 countries. The World Values Survey data also reveal that life satisfaction and economic growth in India are not moving in the same direction. The 24 years data show that while India's GDP per capita has increased by 8.62 percent, the average life satisfaction has decreased from 6.6 in 1990 to 5.1 in 2014 (Tables 1-2, Figure 1).

Table 1: Annual Growth Rate of Real GDP, 1990-2014

Year	Annual growth rate of GDP (at factor cost)	Year	Annual growth rate of GDP (at factor cost)	Year	Annual growth rate of GDP (at factor cost)
1990-1991	5.29	1999-2000	8.00	2007-2008	9.32
1991-1992	1.43	2000-2001	4.15	2008-2009	6.72
1992-1993	5.36	Average	6.21	2009-2010	8.59
1993-1994	5.68	2001-2002	5.39	2010-2011	8.91
1994-1995	6.39	2002-2003	3.88	Average	8.62
1995-1996	7.29	2003-2004	7.97	2011-2012	6.69
Average	5.21	2004-2005	7.05	2012-2013	5.42
1996-1997	7.97	2005-2006	9.48	2013-2014	6.05
1997-1998	4.30	Average	6.73	2014-2015	7.23
1998-1999	6.68	2006-2007	9.57	Average	6.34

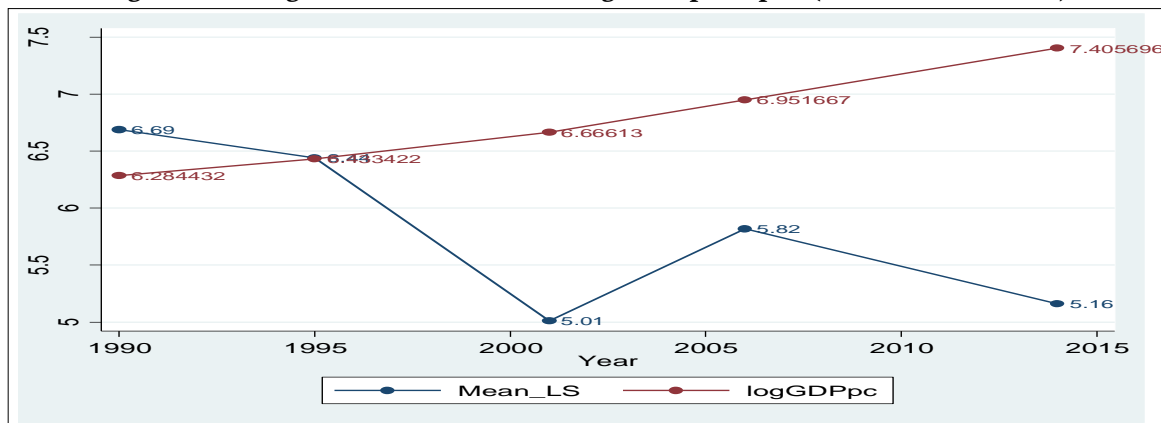
Note: Up to 1990-2010, base year: 2004-05; from 2010-14 onwards, base year: 2011-2012).

Source: RBI: Handbook of Statistics on the Indian Economy, 2016-17.

Table 2: Happiness Index Score and Rank of India

Year	Score	Rank
2013	4.77	111
2015	4.57	117
2016	4.4	118
2017	4.32	122
2018	4.19	133

Source: World Happiness Reports.

Figure 1: Average Life Satisfaction and Log GDP per capita (at constant 2010US\$)

Source: Life satisfaction from WVS (1990-2014); GDPpc from World Bank National Accounts data and OECD National Accounts data files, 1960-2017.

India has been boasting a long tradition of human salvation, and therefore, most of the themes on happiness are related to religion and spirituality and has to be found in the interpretations of scriptures, puranas, vedas and Upanishads. In the Indian religious perspective, happiness is something that is permanent (satya) and eternal (nitya), it is not just running after anything that is momentary (kshanika) or impermanent (mithya) which are subject to destruction or decay (kshara) and also. Their search for eternal and perpetual will lead them to the point of bliss (anantam), an end most principle that is called Mukti or Brahman. Further, India has also been ascribed for its traditionality, family culture and the strong value systems at home.

Very few traditional Indian literature discuss psychological aspects of happiness, but the economic perspective is almost nil. Attaining happiness with worldly things and materialism has rarely been looked into. Further, any insight on the causes of changes in happiness in the long-run is almost absent. Generally, life satisfaction in India is viewed as contentment of life with material possessions and family life. But, happiness is also related to other dimensions of life in India like age, children, caste, religion, health, employment, work, social life, etc. Further, life satisfaction is also associated with, at the aggregate, increased female participation in the labour market, change in family roles, rise in the number of nuclear families, adopting western culture, etc. The opening of the economy in the late 20th century and the pressure of globalisation introduced large scale changes in India at the individual as well as aggregate levels. These overwhelming changes exert significant changes in the meaning as well as the level of life satisfaction in India.

Few cross-country empirical studies that also include India find that happiness level in India is relatively low and India typically stands in the middle of nations in international happiness surveys [4, 8-11], but a slightly increasing long-term trend in happiness [12]. At the survey-based micro level, less than half report satisfaction with life [13], more are satisfied with different life domains [14-15], and people sensitive to absolute and relative income changes [11, 16-17]. However, these studies are cross-country analysis with little emphasis on India or micro in nature. India specific and nationwide analysis is rare. With the aim of

understanding the level of subjective well-being in India and its determinants, this paper examines the distribution of life satisfaction and happiness across socioeconomic and demographic groups in India.

METHODOLOGY

This paper uses data from the World Values Survey (WVS), the largest source of the cross-national survey in the world on happiness since 1981. Between 1981 and 2014, the WVS conducted six waves of surveys in close to 97 societies from all the six continents constituting 88 percent of the world population. The aim of WVS is to understand and investigate the global changes in socio-cultural-political-religious values and beliefs. The WVS also contains questions on subjective well-being and related indicators. Being a part of WVS Association, the WVS has started the survey in India in 14 major states with 2400 sample size, covering more than 90 percent of the nation's population and the sixth wave of WVS in India was conducted in 22 states with a sample size of 4078 respondents. The India WVS contains more than 10,000 observations from all the five waves. This paper uses data for 12 major states of India, for those states that are continuously sampled in each of the five waves of WVS over 24 years from 1990 to 2014, consisting of 8,965 observations. The WVS data contains three direct measures of overall SWB. The happiness question asks respondents to evaluate their present life in terms of "Taking all things together, would you say you are... very happy, quite happy, rather happy and not at all happy". For the purpose of this paper, the happiness level is recoded reversely as 'not at all happy'=1, 'rather happy'=2, 'quite happy'=3 and 'very happy'=4. The life satisfaction question asks for an evaluation of whole life: "All things considered, how satisfied are you with your life as a whole are these days?" for which respondents self-select a value on a 10 point scale, starting with dissatisfied and ending with satisfied. The question on satisfaction with the financial situation of the household asks: "how satisfied are you with the financial situation of your household?" and a 10 point scale starts with completely dissatisfied and ends with completely satisfied. In the happiness literature, the life satisfaction measure is considered to be a better measure for making cross-section comparison relative to the happiness measure [18]. The LS response scale is large in number compared to the happiness scale and while the life satisfaction encompasses the whole life, the happiness, being a feeling, may mean instantaneous or momentary gratification of the respondents. The happiness and financial satisfaction measures are also reported in this paper as a robustness check of the life satisfaction levels.

RESULTS AND DISCUSSION

The three SWB indicators are highly correlated with each other indicating the level of subjective well-being of people. The correlation between LS and FS is 0.59 ($p < 0.001$) and the correlation between life satisfaction and happiness and FS and happiness are respectively 0.34 and 0.31 (both p-values significant at 1 percent level). The average LS and FS between 1990 and 2014, show a declining trend, a decrease in life satisfaction from 6.69 to 5.16 (Figure 2). Though the mean financial satisfaction (FS) is slightly low compared to the mean life satisfaction (LS), variations in both are almost the same and move in the same direction. But, the average level of happiness remains close to 3 across the waves, ranging from 2.92 to 3.12. While the histograms of the frequency distribution of both the LS and FS are normally distributed, the histogram of happiness shows left-skewness (Figure 3). The skewed happiness distribution implies that majority of the respondents in India report a happy level of subjective well-being. However, a significant number of respondents self-select the 5th level in LS and FS scales as their level of well-being, the average SWB level.

Figure 2: Average Levels of Life Satisfaction, Financial Satisfaction and Happiness

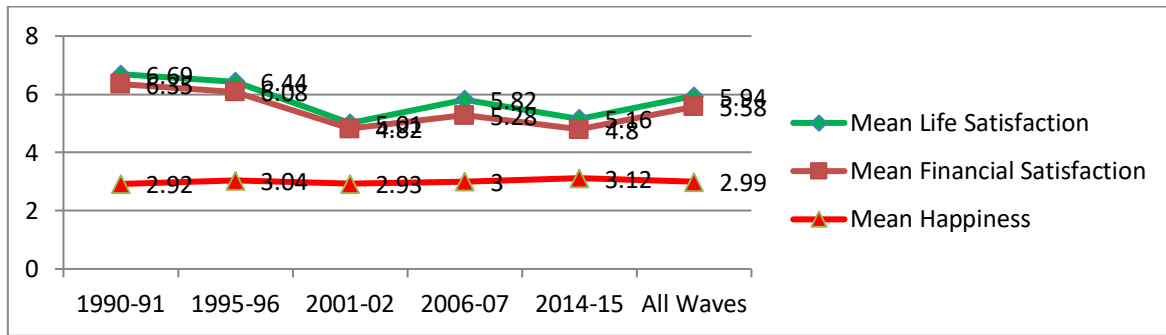
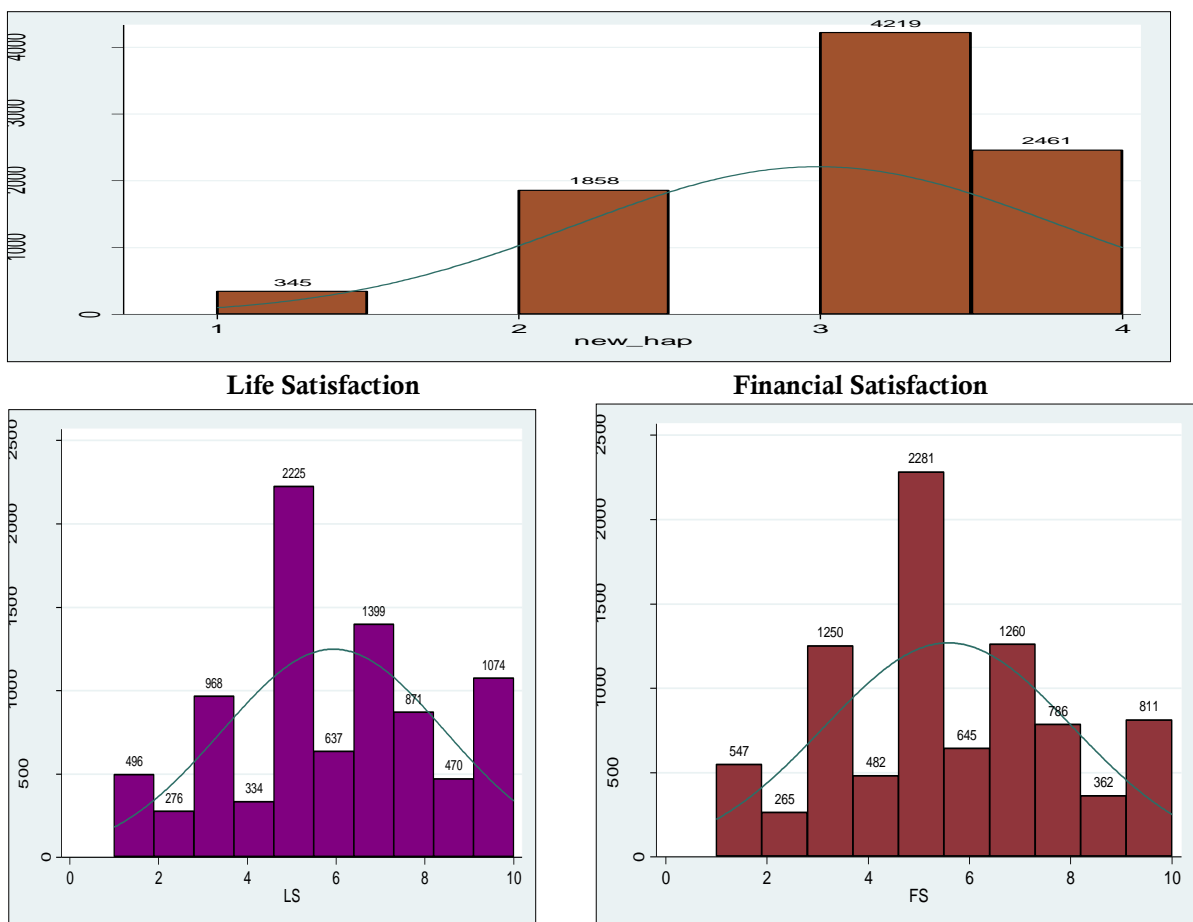


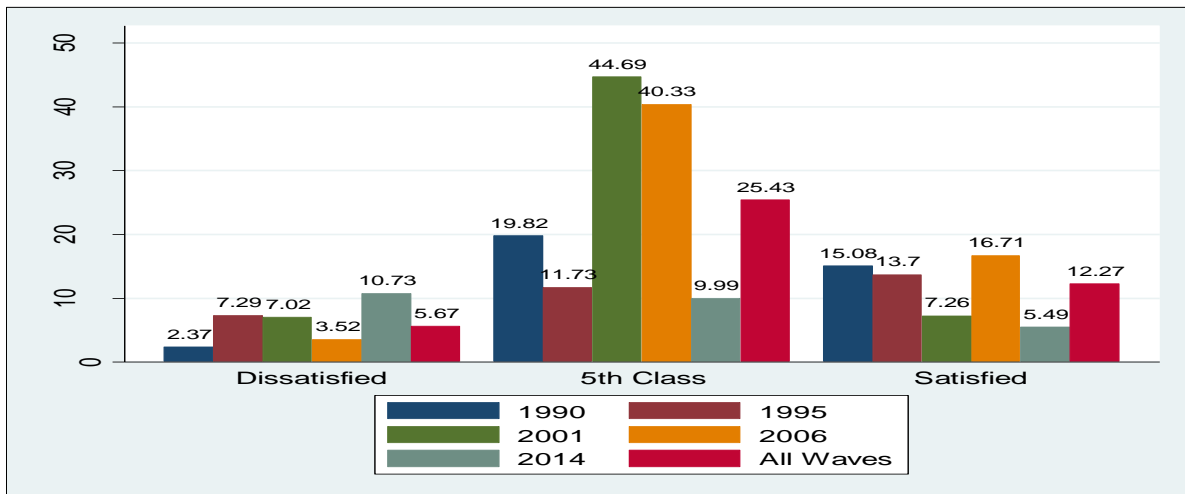
Figure 3: Distribution of Life Satisfaction, Financial Satisfaction and Happiness



The average level of LS in India is not consistent across the WVS waves, fluctuating around 6 points (Figure 4). Between 1990 and 2000, average LS has been 6.58 (SD=2.45), but from 4th wave onwards, during 2000 to 2014, India’s average life satisfaction level declined to 5.35 (SD=2.43) showing a clear decline in life satisfaction in India over the 24 years. While only 2.37 percent of people are dissatisfied with life during the second wave (1990), about 10.73 percent are disillusioned with life in 2014. At the same time, 15 percent of people are satisfied with life in 1990, but the same has declined to 5.5 percent in the 2014 wave of WVS. Further, the percentage of people who selected the average LS scale has declined from 44.69 percent in 2001 to 10 percent in 2014. The wave which is represented as the worst period in terms of reporting highest

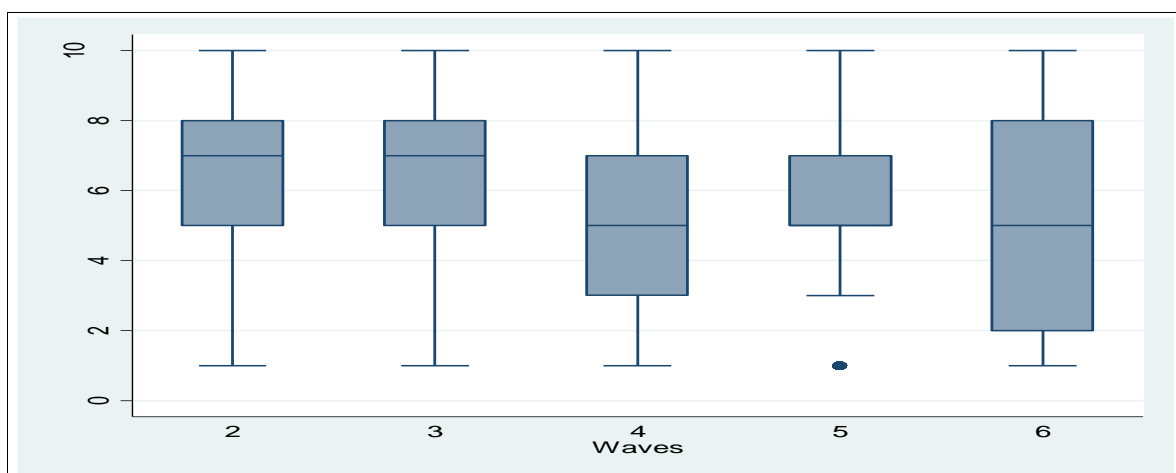
percentage (10.73 percent) of life dissatisfaction and lowest percentage (5.5) of life satisfaction is the last wave of WVS, 2014.

Figure 4: Life Satisfaction Across WVS Waves



The distribution of life satisfaction of second and third waves of WVS are similar, mean life satisfaction is less (6) than the median life satisfaction (8) (Figure 5). In both waves, the life satisfaction distributions are left-skewed showing that majority responses of life satisfaction fall in between 5 and 7 levels. Lower 25 percent of respondents report life satisfaction between one and five and upper 25 percent report life satisfaction between 8 and 10 levels in both waves. But, in the third wave, life satisfaction is normally distributed with the mean and median centred at the fifth level of life satisfaction. For 50 percent of the respondents, the level of life satisfaction lies in between 3 and 7. The life satisfaction distribution of the fifth wave of WVS shows the presence of outliers. The first quartile and the median value of life satisfaction are the same in the fifth wave i.e. 5, and the distribution is close to normal with comparatively low variability. In the sixth wave, life satisfaction is normally distributed with high variability (7.53). In 2014, majority of the respondents reported life satisfaction between 2 to 8 levels.

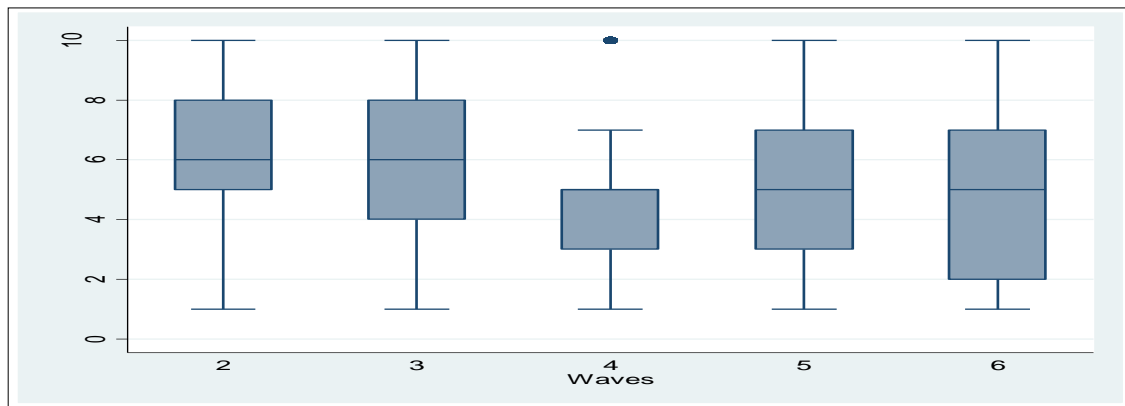
Figure 5: Distribution of Life Satisfaction across WVS Waves



The distribution of financial satisfaction slightly differs from life satisfaction (Figure 6). In second and third waves, the median financial satisfaction level is 6, but the second wave distribution is skewed to the right indicating that more respondents report financial satisfaction above the median level. The third wave financial satisfaction distribution is normally distributed and the line of median equally divides the

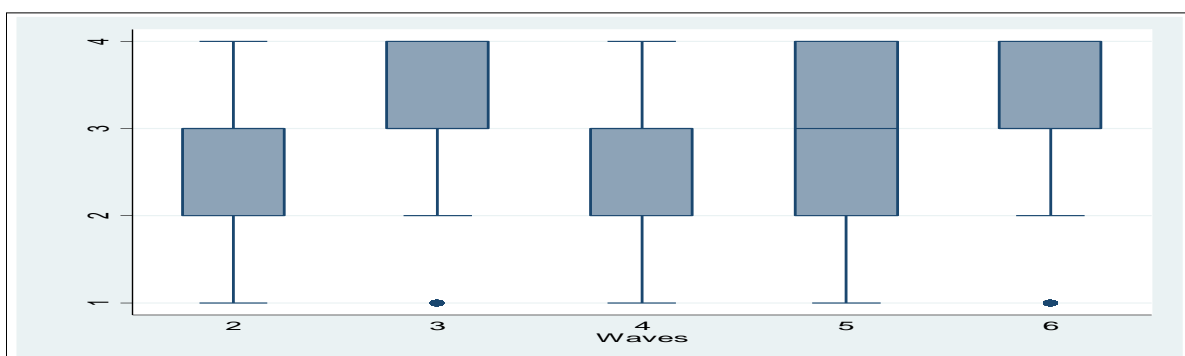
respondents. The degree of variance in the second wave is 4.88, while in the third wave it is 6.28. In the fourth wave of WVS, the distribution of financial satisfaction exhibits the presence of outliers in the 10th class, beyond the maximum level of financial satisfaction of 7 with a low degree of variability. In the fifth and sixth waves, the median financial satisfaction is 5, but while the former is normally distributed the latter is skewed to left with relatively high variability of 6.92.

Figure 6: Distribution of Financial Satisfaction across WVS Waves



Compared to life and financial satisfaction box plots, the degree of variability in happiness distribution is low (Figure 7). In the second wave, the median and third quartile are the same i.e. 50 percent of the respondents reporting as quite happy (level 3). In the third wave, only a few respondents (87) report not at all happy, with outliers under the minimum point. The nil line of the third quartile in the third wave shows that the last 50 percent of the respondents report they are very happy with a zero degree of variability. In the fourth wave of WVS, the upper whisker and lower whisker lines are having the same distance with the same variability, indicating that the second 50 percent of the total respondents report that they are rather happy. In the fifth wave, the median and mean happiness are almost equal and the upper whisker line is absent, for the last 50 percent of the respondents or majority of the total number of respondents are very happy, the variability is zero and the long lower whisker indicates the level of happiness vary among the least happy people. The sixth WVS wave shows outliers, for the number of people who report not at all happy is only 72, too few compared the numbers reporting other categories. The happiness level varies among the least positive quartile group whereas the top positive quartile group has the same happiness level.

Figure 7: Frequency Distribution of Happiness across WVS Waves



Life Satisfaction Across Socioeconomic and Demographic Status

To understand the distribution of subjective well-being levels between socioeconomic and demographic groups of India, the chi-square test is applied to the association between the respondents' background characteristics and SWB indicators. The chi-square test statistics that there exist significant differences in SWB among socioeconomic and demographic groups in India (Tables 3-5). The cross-tabulation of life

satisfaction by household annual income shows that of those who report high levels of life satisfaction, 25 percent are from higher-income group, 16 percent belong to 7th and 8th classes of the income scale and only 10 percent are from low-income group. On the other hand, among those who are less satisfied with life, around 8 percent are from low-income category and only 4 percent are from the top income category (Table 3). Though the chi-square test indicates a significant difference in life satisfaction among different income classes, there exists a positive relationship between household annual income and life satisfaction (Figure 8). Households in high-income deciles have a high average score (24.57) of the highest category of life satisfaction compared to the other income deciles. At the same time, about 17 percent in the lowest income decile also report that they are very satisfied with life in contrast to 9 percent of the respondents in the second income decile and 11 percent in the average income decile. Dissatisfaction with life is low, 2.5 percent, in the 8th income decile, while the high dissatisfaction with life is reported by about 8 percent in the poorest income decile. Nearly half of the respondents in the highest income decile are satisfied with their life.

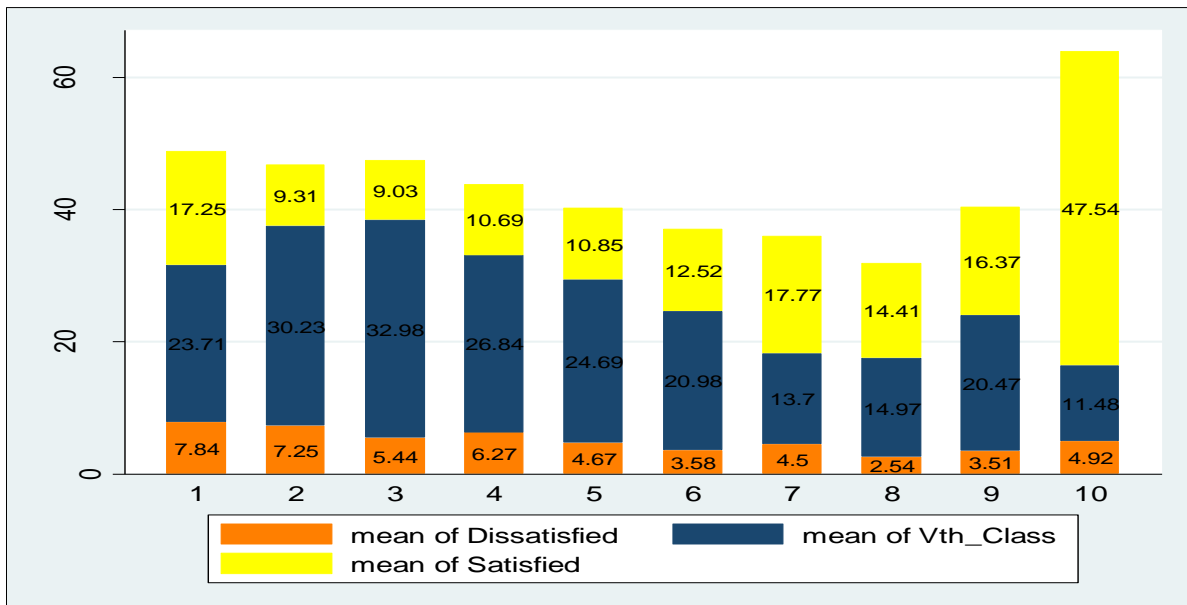
Table 3: Distribution of Life Satisfaction by Socioeconomic and Demographic Characteristics

Employment status	Employed	247(5.63)	1,060(24.16)	567(12.92)
	Unemployed and out of labour force	226(5.55)	1,061(26.04)	477(11.71)
Pearson $\chi^2 = 14.52$ $p = 0.105$				
Gender	Male	270(5.46)	1,225(24.75)	629(12.71)
	Female	226(5.95)	999(26.30)	445(11.71)
Pearson $\chi^2 = 11.44$ $p = 0.246$				
Health	Very good	247(4.38)	1,369(24.28)	812(14.40)
	Good & fair	140(5.90)	698(29.41)	222(9.36)
	Poor	107(15.09)	151(21.30)	38(5.36)
Pearson $\chi^2 = 638.75$ $p = 0.00$				
Religion	Hindu	371(5.44)	1,715(25.15)	865(12.69)
	Muslim	65(7.31)	222(24.97)	82(9.22)
	Christian	17(4.78)	75(21.07)	41(11.52)
	Others	29(9.93)	76(26.03)	31(10.62)
Pearson $\chi^2 = 156.61$ $p = 0.00$				
Income	1 & 2 deciles	173(7.53)	624(27.15)	300(13.05)
	3 & 4 deciles	182(5.80)	952(30.33)	306(9.75)
	5 & 6 deciles	75(4.23)	409(23.38)	200(11.44)
	7 & 8 deciles	30(3.65)	117(14.25)	134(16.32)
	9 & 10 deciles	9(3.88)	42(18.10)	57(24.57)
Pearson $\chi^2 = 594.49$ $p = 0.00$				
Marital status	Married	388(5.64)	1803(26.19)	859(12.48)
	Single	108(5.79)	422(22.63)	215(11.53)
Pearson $\chi^2 = 60.19$ $p = 0.00$				
Educational status	10th class	159(8.0)	496(24.96)	190(9.56)
	Higher secondary	157(5.17)	691(22.74)	381(12.54)
	Graduation & above	66(3.05)	523(24.18)	352(16.27)
Pearson $\chi^2 = 259.94$ $p = 0.00$				
Age	18-25	74(4.26)	396(22.77)	198(11.39)
	26-34	113(5.29)	542(25.36)	253(11.84)
	35-44	127(5.72)	566(25.48)	295(13.28)
	45-65	146(6.49)	609(27.09)	287(12.77)
	66- above	36(9.0)	108(27.0)	41(10.25)
Pearson $\chi^2 = 167.02$ $p = 0.00$				

Socioeconomic status	Upper class	30(4.10)	89(12.16)	118(16.12)
	Middle class	216(4.51)	1185(24.84)	616(12.91)
	Working class	93(5.80)	390(24.31)	196(12.22)
	Lower class	140(10.16)	452(32.80)	123(8.93)
Pearson $\chi^2 = 514.95$ $p = 0.00$				

Note: Percentage figures in parentheses.

Figure 8: Household Income and Life Satisfaction



There also exist significant differences in life satisfaction by education levels. About 16 percent of respondents with higher levels of education report higher life satisfaction, while only 3 percent report dissatisfaction with life. On the other hand, only 9 percent of respondents with less than 10 years of education report higher life satisfaction. In respect of age of respondents, middle-aged people (35-65) report comparatively higher level of life satisfaction. Marriage makes people happy; married people are highly satisfied with their life than single people (unmarried, divorced, separated and widowed). However, in the case of less satisfied people, almost 6 percent of both married and single report dissatisfaction with life. Healthy Indians are more satisfied with life than poor-health people. Nearly 14 percent of respondents with good health report life satisfaction level of 10, while only 5 percent of poor health respondents report satisfaction with life. On the other hand, 15 percent of respondents with poor health report dissatisfaction with life and the corresponding value for respondents who have good health is only 4 percent. The life satisfaction level across religion is significantly different. As the percentages indicate, people not belonging to or not believing in any major religion like Hinduism, Islam or Christianity are more satisfied with their life.

The socio-economic class of the respondents also shows a significant difference in the reported life satisfaction among the people of India as the chi-square value of 514.95 is significant. The upper-class people are more satisfied with life and lower-class people are more dissatisfied. Out of total satisfied respondents, 16 percent are from upper class but only 8 percent are from lower-class. Similarly, of the total dissatisfied category, 10 percent are from lower-class, only 4 percent are from the upper socioeconomic class. Only in the case of employment status and gender, the chi-square values are insignificant suggesting that there is no difference in life satisfaction between employment status and gender in India. However, in both cases, more people are satisfied, about 12 percent, compared to less than 6 percent of dissatisfied people.

Happiness by Socioeconomic and Demographic Status

The statistically significant Pearson's chi-square values show that similar to life satisfaction distribution, there also exist significant differences in levels of happiness between most of the socioeconomic and demographic groups in India, except gender and employment status (Table 4). The cross-tabulation results indicate that with rising income, the proportion of individuals reporting not happy with their life declines. However, there is no such kind of clear relation with income increase in the upper end of the happiness distribution. The frequency distribution of very happy respondents varies from 25 to 36 percent. With regard to the health status, majority of the healthy respondents report very happy; 34 percent of the respondents with good health attest that they are very happy and 13 percent of the poor health respondents report happiness. On the other hand, only 2 percent of healthy respondents report not at all happy, whereas 17 percent of poor health people are not at all happy with their life.

Table 4: Distribution of Happiness by Socioeconomic and Demographic Characteristics

Background	Characteristics	Not at all happy	Rather happy	Quite happy	Very happy
Employment status	Employed	169(3.81)	911(20.55)	2,131 (48.1)	1,223 (27.58)
	Unemployed& out of labour force	162 (3.90)	884 (21.26)	1,929 (46.38)	1,184 (28.47)
Pearson $\chi^2 = 2.43$ $p = 0.487$					
Gender	Male	184 (3.68)	1,042 (20.8)	2,378 (47.5)	1,396 (27.92)
	Female	161 (4.15)	815 (21.00)	1,841 (47.4)	1,064 (27.42)
Pearson $\chi^2 = 1.46$ $p = 0.690$					
Health	Very good	101 (1.78)	698 (12.28)	2,934 (51.6)	1,952(34.34)
	Good & fair	119 (4.90)	856 (35.26)	1,056 (43.5)	397 (16.35)
	Poor	124 (17.37)	291 (40.76)	204 (28.57)	95 (13.31)
Pearson $\chi^2 = 1300$ $p = 0.00$					
Religion	Hindu	251 (3.62)	1,478 (21.3)	3,299 (47.6)	1,898 (27.40)
	Muslim	44 (4.89)	199 (22.11)	419 (46.56)	238 (26.44)
	Christian	12 (3.34)	58 (16.16)	197 (54.87)	92 (25.63)
	Others	23 (7.88)	70 (23.97)	108 (36.99)	91 (31.16)
Pearson $\chi^2 = 34.81$ $p = 0.00$					
Income	1 & 2 deciles	129 (5.54)	584 (25.09)	969 (41.62)	646 (27.75)
	3 & 4 deciles	106 (3.37)	703 (22.35)	1,565 (49.7)	771 (24.52)
	5 & 6 deciles	53 (3.00)	291 (16.47)	902 (51.05)	521 (29.49)
	7 & 8 deciles	21 (2.55)	105 (12.73)	404 (48.97)	295 (35.76)
	9 & 10 deciles	9 (3.83)	41 (17.45)	111 (47.23)	74 (31.49)
Pearson $\chi^2 = 152.87$ $p = 0.00$					
Marital status	Married	256 (3.66)	1,441 (20.62)	3,318 (47.4)	1,974 (28.24)
	Single	89 (4.70)	417 (22.02)	901 (47.57)	487 (25.71)
Pearson $\chi^2 = 8.96$ $p = 0.030$					
Educational status	10 th class	126 (4.51)	610 (21.82)	1,274 (45.58)	785 (28.09)
	Higher secondary	75 (3.22)	433 (18.60)	1,158 (49.74)	662 (28.44)
	Graduation and above	54 (2.47)	386 (17.66)	1,080 (49.41)	666 (30.47)
Pearson $\chi^2 = 36.21$ $p = 0.00$					
Age	18-25	31 (2.19)	256 (18.09)	707 (49.96)	421 (29.75)
	26-34	92 (3.67)	522 (20.83)	1,196 (47.7)	696 (27.77)
	35-44	88 (3.90)	438 (19.42)	1,070 (47.4)	659 (29.22)
	45-65	114 (4.95)	522 (22.68)	1,083 (47.0)	583 (25.33)
	66- above	20 (5.00)	119 (29.75)	163 (40.75)	98 (24.50)
Pearson $\chi^2 = 60.90$ $p = 0.00$					

Social class	Upper class	29 (3.92)	126 (17.05)	358 (48.44)	226 (30.58)
	Middle class	139 (2.87)	856 (17.70)	2,387 (49.3)	1,455 (30.08)
	Working class	59 (3.60)	408 (24.91)	756 (46.15)	415 (25.34)
	Lower class	104 (7.40)	400 (28.47)	585 (41.64)	316 (22.49)
Pearson $\chi^2 = 182.03$ $p = 0.00$					

Note: Percentage figures in parentheses.

Ageing increases unhappiness; aged people (66 and above) who are not at all happy is 5 percent but that of the respondents who belong to the age group of 18 to 24 is just 2 percent. In the upper tail of happiness (very happy), younger people constitute comparatively larger proportion (almost 30 percent), however, 25 percent of respondents who are 66 or above report that they are very happy in their life. Happiness and education are positively related. Among the respondents who are very happy with life, 31 percent of the respondents are highly educated, whereas the percentage of highly educated people who are not happy is just 3 percent. Compared to single people, married or cohabiting people are happier with their life. Only a slight difference is present in the case of not at all happy people. There also exists a significant difference in the happiness level among the religious groups in India. The happiness level across religion is significantly different. With regard to social class, a comparatively larger number of upper-class and middle-class people report very happy with their life. On the other side, lower-class people are largely not at all happy with their life.

Financial Satisfaction by Socioeconomic and Demographic Status

In the case of financial satisfaction the chi-square tests reveal that, except employment status, all other socioeconomic and demographic groups show a statistically significant difference (Table 5). As income increases, the proportion of respondents reporting complete financial satisfaction also increases. The percentage of poor people who are fully satisfied with the financial condition is only 8 percent, whereas the proportion of financially satisfied people with higher income increases by 21 percent. On the other side, while 5 percent of higher-income respondents report financial dissatisfaction, the percentage of poor people who report financial dissatisfaction is comparatively higher 10 percent. At higher education levels, a larger proportion of individuals report higher financial satisfaction and at lower education levels, higher proportion of individuals report financial dissatisfaction. The relationship between age and financial satisfaction is inverse, as age increases financial dissatisfaction is rising. In the age group 18-24, 4 percent of respondents report financial dissatisfaction, but it is 10 percent among the old age people (66 and above). As age increases, around 9 percent of the respondents from all age groups are financially more satisfied. Relative to female respondents, male respondents are financially more satisfied. While 10 percent of males report complete satisfaction with their financial condition, more female respondents report completely dissatisfaction with financial condition.

Table 5: Distribution of Financial Satisfaction by Socioeconomic and Demographic Characteristics

Background	Characteristics	Dissatisfied	5 th level FS	Satisfied
Employment status	Employed	271 (6.19)	1,121 (25.62)	441 (10.08)
	Unemployed & out of labour force	257 (6.37)	1,052 (26.09)	355 (8.80)
Pearson $\chi^2 = 13.34$ $p = 0.148$				
Gender	Male	298 (6.06)	1,325 (26.94)	491 (9.98)
	Female	249 (6.61)	955 (25.35)	320 (8.49)
Pearson $\chi^2 = 29.45$ $p = 0.001$				
Health	Very good	281 (5.03)	1,458 (26.12)	612 (10.96)
	Good & fair	142 (6.04)	677 (28.81)	147 (6.26)
	Poor	118 (16.86)	137 (19.57)	42 (6.00)
Pearson $\chi^2 = 615.39$ $p = 0.00$				
Religion	Hindu	381 (5.63)	1,787 (26.39)	634 (9.36)
	Muslim	79 (8.95)	232 (26.27)	50 (5.66)
	Christian	37 (10.39)	78 (21.91)	36 (10.11)

	Others	27 (9.44)	65 (22.73)	30 (10.49)
		Pearson $\chi^2 = 107.81$ $p = 0.00$		
Income	1 & 2 deciles	222 (9.71)	594 (25.98)	192 (8.40)
	3 & 4 deciles	189 (6.05)	970 (31.03)	232 (7.42)
	5 & 6 deciles	59 (3.38)	485 (27.83)	172 (9.87)
	7 & 8 deciles	38 (4.65)	129 (15.79)	118 (14.44)
	9 & 10 deciles	12 (5.24)	32 (13.97)	47 (20.52)
		Pearson $\chi^2 = 823.29$ $p = 0.00$		
Marital status	Married	430 (6.30)	1,822 (26.68)	615 (9.00)
	Single	117 (6.29)	459 (24.69)	196 (10.54)
		Pearson $\chi^2 = 51.33$ $p = 0.00$		
Educational status	10 th class	223 (8.33)	577 (21.55)	160 (5.98)
	Higher secondary	97 (4.20)	683 (29.54)	243 (10.51)
	Graduation and above	67 (3.09)	578 (26.69)	282 (13.02)
		Pearson $\chi^2 = 416.86$ $p = 0.00$		
Age	18-25	59 (4.25)	343 (24.73)	134 (9.66)
	26-34	140 (5.70)	674 (27.45)	210 (8.55)
	35-44	129 (5.83)	570 (25.75)	201 (9.08)
	45-65	181 (8.10)	579 (25.92)	226 (10.12)
	66- above	38 (9.64)	112 (28.43)	39 (9.90)
		Pearson $\chi^2 = 155.35$ $p = 0.00$		
Socio-economic status	Upper class	53 (7.34)	105 (14.54)	103 (14.27)
	Middle class	211 (4.44)	1,318 (27.74)	484 (10.19)
	Working class	106 (6.66)	388 (24.39)	120 (7.54)
	Lower class	159 (11.61)	371 (27.08)	90 (6.57)
		Pearson $\chi^2 = 591.98$ $p = 0.00$		

Note: Percentage figures in parentheses.

Married people are slightly less satisfied with their financial condition than single, widowed, divorced or separated people. Nearly 9 percent of married and cohabiting individuals report complete financial satisfaction, but that is around 11 percent for the single category. Around 6 percent of both categories report financial dissatisfaction. The percentage of the married category reporting the fifth level of financial satisfaction is almost 27 percent, whereas the single category who report the fifth level of financial satisfaction is around 25 percent. In the vast and culturally varied India, the diverse familial relations causes the differential relationship between marital status and financial satisfaction. Among healthy respondents, 11 percent report complete financial satisfaction, but among those who report poor health, 17 percent report complete dissatisfaction with their financial condition. In respect of social status, financial satisfaction is higher among upper-class (14.27 percent) and is lower among lower-class people (6.57 percent). Also, financial dissatisfaction is high among lower-class people, almost 12 percent of the lower class people report that they are financially more dissatisfied.

There is an interesting difference in financial satisfaction by religion in India. While about 10 percent of Hindus, Christians and other religious groups are financially satisfied, only 5.6 percent of Muslims report financial satisfaction. A sizable Christians, 10 percent, report financial dissatisfaction.

CONCLUSIONS

Happiness or life satisfaction is the ultimate virtue that humans in this earth want to attain. However, the constant pursuit of materialism and positional status of humans are at odds with this avowed objective of life. Though the Indian tradition views human happiness as fulfilment in one's life, a more satisfied and contented life, and preaches spiritualistic paths for the ultimate end of life, the modern interpretation of happiness relates more with the standard of living and quality of life. However, it is now evident that India reels at the bottom and among the lowest group of countries in the World Happiness Index, despite its impressive growth rate and rapid economic development in recent years. Despite its significant

socioeconomic transformation and improvements in social indicators, there has been no appreciable increase in happiness in India. Especially, while the income level continues to rise both at the individual as well as aggregate levels, life satisfaction level in India has not increased, in fact declined, as the World Values Survey data shows. In various international comparisons that also include India, this contrasting relationship between income growth and subjective well-being level has been widely discussed at the individual and aggregate levels. However, an examination of the income-happiness relationship at the intermediate group level is rare. Using the five waves of the WVS data for 24 years over the period 1990-2014, this paper analyses the happiness and life satisfaction levels by socioeconomic status and demographic characteristics in India. The paper uses cross-tabulations and chi-square test to understand the distribution of life satisfaction across socioeconomic and demographic groups. Besides, as a robustness check, the level of financial satisfaction across the groups is also analysed.

The results of the paper show that the average level of subjective well-being has not increased over the time period in India. In fact, both life satisfaction and financial satisfaction have declined from 6.7 to 5.9, while the happiness level has hovered around 3 in the self-reported well-being indicators. There are also fluctuations in these measures during the period and the happiness distribution is left-skewed. Life satisfaction is positively related to income, but the relationship is not uniform. There also exist significant differences in life satisfaction between socioeconomic and demographic groups in India. Life satisfaction varies significantly with education, income, social class, religion, age, marital status and health, but not much with employment and gender. A similar picture is also observed with respect to happiness in India, while a majority of the characteristics show significant differences in happiness level, there is no significant difference between happiness and unhappiness level by gender and employment. With regard to financial satisfaction, except employment status, all other socioeconomic and demographic groups exhibit statistically significant differences. Interestingly, while about 10 percent of Hindus, Christians and other religious groups are financially satisfied, only 5.6 percent of Muslims report financial satisfaction. Contrastingly, in the case of the lower extreme of financial satisfaction, only 5.6 percent of Hindus compared to 10 percent of Christians report financial dissatisfaction. Overall, the socioeconomic status and demographic characteristics determine the happiness and life satisfaction levels of people in India. And these indicators of subjective well-being vary significantly among different groups, while there is no much appreciable increase over time.

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