

Happiness, economics, and air pollution

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Credit: Bill Kuffrey/public domain

Is there a link between levels of air pollution, a country's economic growth, and the happiness of its citizens? That is the question Zahra Fotourehchi and Habib Ebrahimpour of the Department of Management and Economics, at the University of Mohaghegh Ardabili, in Ardabil, Iran, hoped to answer in their paper just published in the aptly named *International Journal of Happiness and Development*.

Prior research into a putative link between economic growth and

[happiness](#) has not offered researchers the chance to reach a consensus. The results have been mixed. In an attempt to reconcile this state of affairs, the team has looked at [gross domestic product](#) (GDP) per capita and its impact on happiness by taking into account the role of air pollution in each country using annual unbalanced panel data for 59 countries between the years 2005 and 2015.

It is curious that the team's analysis suggests that rising per capita GDP leads to a decrease in happiness if the air pollution level is sufficiently high but in contrast, if air pollution is low, rising GDP leads to an increased level of happiness. "We also found that leaving air pollution out of the analysis led to about 15-27 percent underestimation of the income effect, the team reports. "These results provide some important implications for policymakers seeking to increase economic growth without aggravating happiness."

Fundamentally, "Our research emphasises that improving air quality is an important policy measure to increase happiness in developing countries. Along with [economic growth](#), the current focus on related costs of physical health ignores other hidden costs of pollution on [mental health](#) (happiness). If counting these [additional costs](#), the benefits of reducing pollution would be higher," the team concludes.

More information: Zahra Fotourehchi et al. Happiness, economic growth and air pollution: an empirical investigation, *International Journal of Happiness and Development* (2019). [DOI: 10.1504/IJHD.2019.098047](https://doi.org/10.1504/IJHD.2019.098047)

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