

### Course Details

<b>UG</b>	<b>Department: Humanities &amp; Social Sciences</b>
<b>Course Code: HST 409</b>	<b>Course Name: Economics of Well-being</b>
<b>Credit: 3</b>	<b>L-T-P: 2-1-0</b>
<b>Version: Open Elective</b>	<b>Open Elective</b>
<b>Pre-requisite course: Nil</b>	
<p><b>Introduction:</b></p> <p>The course aims at an interdisciplinary analysis of the nature and determinants of subjective well-being, and their implications for policy, growth, and the environment. The subject is now deep and rapidly evolving and our treatment will represent only an introduction and overview of each topic. The format of the course will be focused on reading and analysing the primary research literature. Course instruction will include small-group exercises, class discussions and empirical analysis of real data.</p>	
<p><b>Course Outcomes:</b></p> <p>By the end of this course, students should be able to:</p> <ul style="list-style-type: none"> <li>– Contrast and compare different approaches to the measurement of welfare and progress</li> <li>– Explain, defend, and critique role of new subjective well-being literature in economics</li> <li>– Interpret empirical findings in primary literature</li> <li>– Relate the main contribution from the related research papers (listed in the readings/ any other latest addition to the existing literature on the subject)</li> <li>– Carry out basic life satisfaction regressions using survey data</li> </ul>	
<p><b>Syllabus</b></p> <ul style="list-style-type: none"> <li>▪ Economic Growth and Well-Being <ul style="list-style-type: none"> <li>– Crisis of Capitalism: Material consumption &amp; our impact on environment</li> <li>– Easterlin Paradox: Growth without happiness?</li> <li>– Wellbeing and Happiness: Defining a New Economic Paradigm</li> </ul> </li> <li>▪ Utility and Well-Being <ul style="list-style-type: none"> <li>– Misprediction of Utility: Consumption Externalities and ‘Veblen Effect’</li> <li>– Objective and Subjective Measures of Well-Being</li> <li>– Measurement of Subjective Well-Being (SWB)</li> </ul> </li> <li>▪ Utility Function Redefined <ul style="list-style-type: none"> <li>– Psychological Factors, Life circumstances and Life Goals</li> <li>– Macroeconomic Circumstances: Unemployment, Inflation, Business Cycles</li> <li>– Labour Market and Workplace: Compensating Wage Differentials-Work conditions against wages</li> <li>– Social Capital and Social Contact</li> <li>– Environment and other factors like religion, age, gender, ethnicity in the study of SWB; their role as controls</li> </ul> </li> <li>▪ Public policy and Well-Being</li> </ul>	
<p><b>Course material [books and other resources]:</b></p> <ul style="list-style-type: none"> <li>– Easterlin, R. A. (2010). <i>Happiness, growth, and the life cycle</i>. Oxford University Press, USA</li> <li>– Frey, B. S., &amp; Stutzer, A. (2010). <i>Happiness and economics: How the economy and institutions affect human well-being</i>. Princeton University Press.</li> </ul>	

- Jackson, T. (2009). *Prosperity without growth: Economics for a finite planet*. Routledge.
- Layard, R. (2011). *Happiness: Lessons from a new science*. Penguin UK.
- Nettle, D. (2006). *Happiness: The science behind your smile*. Oxford University Press, USA.
- Primary literature from the suggested readings
- Weimann, J., Knabe, A., & Schöb, R. (2015). *Measuring happiness: The economics of well-being*. Mit Press.
- U.N. (2019). World Happiness Report. url: <https://worldhappiness.report/ed/2019/>
- EdX course on Happiness (UC Berkeley): The MOOC to learn science-based principles and practices for a happy, meaningful life.
- <http://authentichappiness.org>

### **Suggested Readings:**

Chiriboga, D. A., Cordero Ferrera, J. M., Salinas-Jiménez, J., Salinas-Jiménez, M. M., Cruz-Ferreira, A., Formigo, A., ... & Luhmann, M. (2017). Perceptions of Well-Being. *European Journal of Operational Research*, 256, 663-672.

Clark, A. E., & Lelkes, O. (2009). Let us pray: religious interactions in life satisfaction. *Paris School of Economics Working Papers*.

Commission on the Measurement of Economic Performance and Social Progress, Stiglitz, J. E., Sen, A., & Fitoussi, J. P. (2009). Report by the commission on the measurement of economic performance and social progress.

Easterlin, R. A. (2015). Happiness and economic growth—the evidence. In *Global handbook of quality of life* (pp. 283-299). Springer, Dordrecht.

Easterlin, R. A. (2013). Happiness, growth, and public policy. *Economic Inquiry*, 51(1), 1-15.

Easterlin, R. A. (2006). Life cycle happiness and its sources: Intersections of psychology, economics, and demography. *Journal of Economic Psychology*, 27(4), 463-482.

Easterlin, R. A. (2001). Life cycle welfare: trends and differences. *Journal of happiness studies*, 2(1), 1-12.

Helliwell, J. F. (2003). How's life? Combining individual and national variables to explain subjective well-being. *Economic modelling*, 20(2), 331-360.

Kapteyn, A., Lee, J., Tassot, C., Vonkova, H., & Zamarro, G. (2015). Dimensions of subjective well-being. *Social indicators research*, 123(3), 625-660.

Myers, David G. (2000). The Funds, Friends, and Faith of Happy People. *American Psychologist*, 55(1), pp. 63-65.

Stevenson, B., & Wolfers, J. (2009). The paradox of declining female happiness. *American Economic Journal: Economic Policy*, 1(2), 190-225.

Stutzer, A. (2004). The role of income aspirations in individual happiness. *Journal of Economic Behavior & Organization*, 54(1), 89-109.

Switek, M., & Easterlin, R. A. (2018). Life transitions and life satisfaction during young adulthood. *Journal of Happiness Studies*, 19(1), 297-314.

Veenhoven, R. (1991). Is Happiness Relative? *Social Indicators Research*, 24(1), pp. 9-12.

Zweig, J. S. (2015). Are women happier than men? Evidence from the Gallup World Poll. *Journal of Happiness Studies*, 16(2), 515-541.