

EXECUTIVE SUMMARY

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The first *World Happiness Report* was published in April, 2012, in support of the UN High Level Meeting on happiness and well-being. Since then the world has come a long way. Increasingly, happiness is considered to be the proper measure of social progress and the goal of public policy. In June 2016 the OECD committed itself “to redefine the growth narrative to put people’s well-being at the center of governments’ efforts”.

¹ In February 2017, the United Arab Emirates held a full-day World Happiness meeting, as part of the World Government Summit. Now on World Happiness Day, March 20th, we launch the *World Happiness Report 2017*, once again back at the United Nations, again published by the Sustainable Development Solutions Network, and now supported by a generous three-year grant from the Ernesto Illy Foundation. Some highlights are as follows.

Norway tops the global happiness rankings for 2017

Norway has jumped from 4th place in 2016 to 1st place this year, followed by Denmark, Iceland and Switzerland in a tightly packed bunch. All of the top four countries rank highly on all the main factors found to support happiness: caring, freedom, generosity, honesty, health, income

and good governance. Their averages are so close that small changes can re-order the rankings from year to year. Norway moves to the top of the ranking despite weaker oil prices. It is sometimes said that Norway achieves and maintains its high happiness not because of its oil wealth, but in spite of it. By choosing to produce its oil slowly, and investing the proceeds for the future rather than spending them in the present, Norway has insulated itself from the boom and bust cycle of many other resource-rich economies. To do this successfully requires high levels of mutual trust, shared purpose, generosity and good governance, all factors that help to keep Norway and other top countries where they are in the happiness rankings.

All of the other countries in the top ten also have high values in all six of the key variables used to explain happiness differences among countries and through time—income, healthy life expectancy, having someone to count on in times of trouble, generosity, freedom and trust, with the latter measured by the absence of corruption in business and government. Here too there has been some shuffling of ranks among closely grouped countries, with this year’s rankings placing Finland in 5th place, followed by the Netherlands, Canada, New Zealand, and Australia and Sweden tied for the 9th position, having the same 2014-2016 score to three decimals.

Happiness is both social and personal

This year's report emphasizes the importance of the social foundations of happiness (see Chapter 2). This can be seen by comparing the life experiences between the top and bottom ten countries in this year's happiness rankings. There is a four-point happiness gap between the two groups of countries, of which three-quarters is explained by the six variables, half due to differences in having someone to count on, generosity, a sense of freedom, and freedom from corruption. The other half of the explained difference is attributed to GDP per capita and healthy life expectancy, both of which, as the report explains, also depend importantly on the social context.

However 80% of the variance of happiness across the world occurs within countries. In richer countries the within-country differences are not mainly explained by income inequality, but by differences in mental health, physical health and personal relationships: the biggest single source of misery is mental illness (see chapter 5). Income differences matter more in poorer countries, but even there mental illness is a major source of misery.

Work is also a major factor affecting happiness (see chapter 6). Unemployment causes a major fall in happiness, and even for those in work the quality of work can cause major variations in happiness.

People in China are no happier than 25 years ago

Our China chapter is led by Richard A. Easterlin, who pioneered the economics of happiness more than 40 years ago. It contrasts the sharply growing per capita income in China over the past 25 years with life evaluations that fell steadily from 1990 till about 2005, recovering since then to about the 1990 levels. They attribute the dropping happiness in the first part of the period to rising unemployment and fraying social safety nets, with recoveries since in both (see chapter 3).

Much of Africa is struggling

The Africa chapter, led by Valerie Møller, tells a much more diverse story, as fits the African reality with its great number and vast range of experiences. But these are often marked by delayed and disappointed hopes for happier lives (see chapter 4).

Happiness has fallen in America

The USA is a story of reduced happiness. In 2007 the USA ranked 3rd among the OECD countries; in 2016 it came 19th. The reasons are declining social support and increased corruption (chapter 7) and it is these same factors that explain why the Nordic countries do so much better.

1 See OECD (2016).

References

OECD (2016) *Strategic Orientations of the Secretary-General: For 2016 and beyond*, Meeting of the OECD Council at Ministerial Level Paris, 1-2 June 2016. <https://www.oecd.org/mcm/documents/strategic-orientations-of-the-secretary-general-2016.pdf>