

## ASSOCIATION OF HAPPINESS AND SOCIO-ECONOMIC VARIABLES IN A SOUTH AFRICAN TOWNSHIP

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### —Abstract —

The study reported in this article explored the happiness status of residents in a South African township of Kwakwatsi. The study mainly investigates the relationship between subjective happiness and selected socio-economic and demographics variables. The mean happiness score was 17.82 (SD= 2.92), indicating that individuals are happy with their lives. Further analysis revealed gender, age, marital status, educational attainment, household size and employment status as significant predictors of subjective happiness. Household size was negatively associated with happiness. Household income was not important in explaining the variations in happiness scores. Age, education and employment status were the highest predictors of happiness. The results of the study point to important findings relating to low income households and may form inputs into debates about wellbeing in South Africa.

**Key Words:** *Happiness, Wellbeing, Life satisfaction, Determinants, Township, South Africa*

**JEL Classification:** D63, I31, J11, J17, R20.

## 1 INTRODUCTION

The aim of the study reported here was to investigate the association between individual happiness and demographic and socio-economic variables in a South African township. The need to explore the determinants of happiness has become increasingly popular among economists due to its potential impact on macroeconomic variables. The understanding of the drivers for happiness among township residents in South Africa can help in addressing gaps in future policy considerations. Happiness can be defined as the degree to which an individual judges the quality of his or her life (Pavot et al., 1991). Happiness is broadly defined as subjective wellbeing, mainly used for an individual's evaluation of her experienced positive and negative affect, happiness, or satisfaction with life. Kahneman (1999) described a major distinction between global evaluative judgments and people's cumulative feelings of pleasure and displeasure. Specifically, reported wellbeing consists of two distinctive elements: an affective component, which refers to the presence of positive affect and the absence of negative affect, and a cognitive component which refers to satisfaction with life. The affective component is a hedonic evaluation guided by emotions and feelings, whereas the cognitive component is an information-based appraisal of one's life with respect to envisioned, ideal life components (Diener, 1994). Hutchinson et al., (2004) found that life satisfaction was related to social and demographic factors such as marital status, employment status, income and age.

A number of studies (Bookwalter & Dalenberg, 2004; Patel et al., 2009; Cramm et al., 2010) investigated the influence of socio-economic variables on wellbeing within various poor communities in South Africa. These studies found a relationship between wellbeing and factors such as age, education, income, employment status, religion, and gender. Happiness levels can change in response to many factors (Møller & Radloff, 2010). Thus, Frey and Stutzer (2001) conclude that happiness research can allow for targeted programs that improve the welfare of all citizens. Factors that influence happiness are generally categorised into 3 groups. These are; happiness set points (assumed to be heritable, fixed and stable over time), circumstances (geographical and demographical) and intentional activities (voluntary activities of the individuals) (Demir & Weitekamp, 2007).

Although economists generally regard self-reported measures as suspect, cautioning against over-emphasizing these approaches above tested tools of measurement, pointing out that there are cases where accepting someone's own

assessment of his/her own standard of living could be misleading, information on individual life satisfaction/happiness can provide insights into the socio-economic dynamics of the population. Research on life satisfaction can provide a lens into the transformational dynamics of South Africa after more than a decade into democracy. Economic policies have been geared towards the upliftment of township residents. To ascertain whether these changes in living circumstances have affected life satisfaction of urban residents in South African townships, a study was conducted in semi-urban township in Kwakwatsi, Free State South Africa. Kwakwatsi is a former black residential township for the town of Koppies, located 180km south of Johannesburg. For this reason all economic activity supporting the township is located in Koppies which is within a walking distance from Kwakwatsi. The nearest industrial town of Sasolburg is 70 km away. A study by Sekhampu (2012) found increased incidents of poverty in the area. Of the sampled households, 50% were found to be poor. On average, poor households had an income shortage of 56% of their poverty line. The aim of the study reported was to explore the association between happiness and socio-economic and demographic variables.

The article is arranged as follows. Section 2 briefly describes the research methodology followed in the study. It also provides an overview of the regression model and the variables hypothesised to influence happiness. Section 3 presents the empirical results and Section 4 provides the discussion and conclusion of the study.

## **2 METHODS**

### **2.1 Participants**

The study reported here is based on a survey using questionnaires. A random sample of 225 participants (household heads) was interviewed in the township of Kwakwatsi, in the Free State Province of South Africa. Each participant was asked about their happiness (life satisfaction). All individuals approached were willing to partake in the study and all questionnaires were legible for analysis. The descriptive statistics for the sample population indicates that the youngest participant was 29 years old, with the oldest at 80 years. The average age of the participants was 49. The number of persons per household varied from 1 to 10. The average household size was recorded at 4 members per household. With regard to the educational attainment, most (73%) reported that they had primary

school education, 3% had no educational attainment, while 23% obtained tertiary education training. The average number of years of schooling was 6 years. The lowest income per participant was recorded at R290, with the highest at R18 920. Average income was R2 358 per month. When it comes to the employment status of the participants, 73% were employed. Seventy two percent (72%) of the respondents reported that they were married and 31% of the total sample was female.

## 2.2 Instrument and procedures

A quantitative research approach was adopted for the study reported here. Arising from a comprehensive literature study, a questionnaire was developed. Section A comprised questions that sought demographic data of the participants. Section B sought information on the participant's general happiness with their life. The subjective happiness scale, developed by Lyubomirsky and Lepper (1999) was used for the study. The Subjective Happiness (SH) scale is a global, subjective assessment of whether one is a happy or unhappy person. The SH scale, has been widely used as a measure of happiness (Otake et al., 2006; Extremera & Fernandez-Berrocal, 2006). The scale consisted of 4 items which measure general happiness. These items were scored on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). The range of possible scores is from a minimum of 4 (extremely unhappy) to very high happiness score of 28 (extremely happy). The question asked were "In general, I consider myself happy", "Compared with most of my peers, I consider myself happy", "Some people are generally very happy. They enjoy life regardless of what is going on, getting the most out of everything. To what extent does this characterization describe you?", "Some people are generally not very happy. Although they are not depressed, they never seem as happy as they might be. To what extent does this characterization describe you?"

## 2.3 Regression model

Several statistical methods were used to analyse the data using Statistical Package for the Social Sciences (SPSS Inc.) 21. A multiple regression model was used to determine the socio-economic and demographic factors affecting the participants' happiness. The regression model was estimated as follows:

$$Y_i = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \dots + e_i \quad (1)$$

Where  $Y_t$  is the dependent variable (the happiness score captured through a range of questions), unobserved, while  $X_i$  is a vector of explanatory variables, and  $\beta_0$  is the vector of unknown parameters (Intercept); and  $e_i$  is the error term. The following characteristics are therefore hypothesized to influence the happiness status of the participants:  $\beta_1$  total monthly income recorded in Rands,  $\beta_2$  household size,  $\beta_3$  education attainment (number of years of schooling),  $\beta_4$  gender,  $\beta_5$  age,  $\beta_6$  marital status and  $\beta_7$  employment status.

### **3 RESULTS**

#### **3.1 Analysis of the happiness status**

The average rating for happiness was 17.82 (SD= 2.92), indicating that individuals are happy with their lives (table 1). Individuals who score in the range 4-8 are said to be extremely unhappy, while respondents who score the range 24-28 are said to be extremely happy (Lyubomirsky & Lepper, 1999). The categories of happiness were: 4-8 (extremely unhappy), 9-13 (slightly unhappy), 14-18 (slightly happy), 19-23 (happy), and 24-28 (extremely happy). The category with the highest frequency was 3 (n=123; 54.7%), thus indicating that the majority of the participants were just happy. About 37.8% (n=85) of the participants were slightly unhappy, with 3.6% being extremely unhappy. Others 3.1% (n=7) were slightly happy, with 0.9% (n=2) extremely happy.

#### **3.2 Relationship between happiness and socio-economic variables**

In order to understand the factors that influence happiness, multiple regression analysis was undertaken. The dependent variable was regressed simultaneously with all the socio-economic and demographic factors suggested to influence happiness. In the regression analysis, 65% ( $R^2 = .6500$ ) of the explained variance could be accounted for by the factors in the model (table 1). The elasticity ( $ey/ex$ ) coefficients better explain the changes in the reported wellbeing due to a change in a selected socio-economic and demographic variable (*ceteris paribus*). Of the seven predictors, six came out as significant. These were: household size, gender, age, educational attainment, employment status, and the marital status. The gender (female), age, educational attainment, employment status, marital status was found to exert a positive impact on happiness, whereas household size was negatively associated with happiness. The coefficient for the variable (HH\_Size:-

.076) was significant at the 5% level. For this model, females were more likely to have a higher happiness status than their male counterparts. The coefficient for gender (Gender: 1.111) was significant at the 10% level of significance. Household income was positively associated with happiness, yet the variable was not statistically significant. The age of the participant,  $t(225) = 6.88$   $p < 0.01$  is the most significant predictor of happiness.

Table 1: Determinants of happiness

	Coef.	Std. Err.	T	ey / ex.
Gender	1.111	0.605	1.84***	0.025
HH_Size	-0.607	0.273	-2.23**	-0.089
Age	1.247	0.181	6.88*	0.378
Education	1.618	0.317	5.11*	0.265
Employed	3.383	0.770	4.39*	0.176
Married	1.452	0.640	2.27**	0.072
Income	0.000	0.000	0.75	...

$R^2 = .6532$

Adj R-squared = 0.6512

$F(9, 215) = 486.08$

Note: \*\*\* Significant at 10% level, \*\* Significant at 5% level, \* Significant at 1% level

...variable not included because it was not statistically significant.

#### 4 DISCUSSION AND CONCLUSION

The purpose of this study was to obtain new empirical evidence regarding the individual determinants of happiness in a South African township. This study explored the association between reported happiness and socio-economic variables. A multiple regression model was used to determine the impact of selected socio-economic and demographic variables on the reported happiness status. The majority of the participants were just happy (54.7%:  $n=123$ ), with 41% reporting that they are unhappy. On the factors that determine the reported happiness, household size, gender, age, educational attainment, employment status, and marital status were significant predictors of happiness among the participants. Gender was positively related to happiness. Specifically, females were associated with a 2.5% increased chance of being happy. Fujita et al., (1991) concluded that females experience positive and negative emotions more frequently and more intensely than men. Diener and Ryan (2009) indicate that women and men do not substantially differ in terms of average subjective

wellbeing. Blanchflower and Oswald (2004) found that women are happier than men.

Household size was negatively related to happiness. A significant relationship between household size and happiness implies that the larger the household, the less happy is the participant. Comparable studies on happiness and family sizes mainly look at the effect of number of children an individual has, on self-reported happiness. Results stemming from these studies are mixed, with some (Haller & Hadler, 2006; Dolan et al., 2008) finding that having children is positively related with happiness, whilst others (Frey & Stutzer, 2000; Schoon et al., 2005) conclude that having children (especially among single and divorced parents) is negatively related with happiness. There was a positive relationship between age and happiness. The coefficient for age (Age: 1.247) was significant at the 1% level. An increase in age was associated with a 37.8% chance of being happy. This implies that the older the individual is, the happier they are. Knight, et al, (2009) found a significant relationship between wellbeing status and age. Dolan et al., (2008) found that happiness is high at a young age, decreases over time and then increases again. A positive relationship between educational attainment and happiness implies that those with a higher level of education tend to be satisfied with their lives. Education is important through its indirect effect on happiness by improving income earning opportunities. Bookwalter and Dalenberg (2004) found a significant relationship between satisfaction with life and level of education.

The employment status of the participant was positively related to happiness. Employed individuals had a higher chance (17.6%) of being happy. The variable for employment status was significant at the 1% level. Other studies (Hutchinson et al. 2004; Reynolds & Ross, 1998) note the importance of employment status in predicting general wellbeing. Having employment gives individuals a higher social status, providing self-respect and increases opportunities for feelings of inclusiveness. Regarding marital status, there was a positive relationship between happiness and marital status. The coefficient for marital status (Married: 1.452) was positive and significant at the 5% level – married participants had a 7.2% increased probability of being happy. This is in line with other studies (Hutchinson et al., 2004), that found a positive relationship between marriage and satisfaction with life. Marriage is found to lead to an improvement in self-reported measures of wellbeing whereas the experience of divorce or separation has a significant negative impact (Clark & Oswald, 1994). Income was found not to be a significant predictor of happiness. This could be explained by the low monthly

income (R 2 358= \$235), compared to the national average of about R 5 802 (\$580) (Stats SA, 2012) for the African population in South Africa. Other studies (Bookwalter & Dalenberg, 2004; Knight, et al, 2009) found a positive relationship between income and happiness. Clark and Oswald (1996) conclude that the effect of income on self-reported wellbeing is influenced by relative rather than absolute income. People feel deprived if they are doing less well than their neighbours / comparable group. A person's position in the income distribution of the relevant reference group may thus influence their happiness.

In conclusion, this study is an attempt to model the factors that influence individual happiness among household heads in a South African township. These results that suggest that age, gender, household size, marital status, education and employment influence happiness, are found in most studies on the topic, and this is an indicator of the validity of the study. However, for this study, income was found to be a weak predictor of happiness. This suggests that happiness is not only a positive function of income but also a negative function of aspirations, and that the latter can be influenced by the income of the reference group of the participants. Generally speaking, happiness is regarded as the ultimate goal of life. People who are happy experience meaningful lives and contribute positively to society. While most of the participants in this study were just happy with their lives, there exists the potential for them to improve their general wellbeing. The results of the study can provide predicting measures for social distress, normally seen through service delivery protests, strikes and criminal behaviour. The limitation of this study may be related to the possibility that the presence of the fieldworker might have influenced responses to the questions. It is also important to acknowledge the impact of different cultures and preferences across different areas on happiness. The factors that are identified to influence happiness allow for targeting programs and may serve as a reference source when planning interventions related to township residents in South Africa.

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