

2018



World Happiness Report

John F. Helliwell, Richard Layard and Jeffrey D. Sachs



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# World Happiness Report 2018

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## Chapter 1

# Happiness and Migration: An Overview

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**Increasingly**, with globalisation, the people of the world are on the move; and most of these migrants are seeking a happier life. But do they achieve it? That is the central issue considered in this 2018 World Happiness Report.

But what if they do? The migrants are not the only people affected by their decision to move. Two other major groups of people are affected by migration:

- those left behind in the area of origin, and
- those already living in the area of destination.

This chapter assesses the happiness consequences of migration for all three groups. We shall do this separately, first for rural-urban migration within countries, and then for international migration.

## Rural-Urban Migration

Rural-urban migration within countries has been far larger than international migration, and remains so, especially in the developing world. There has been, since the Neolithic agricultural revolution, a net movement of people from the countryside to the towns. In bad times this trend gets partially reversed. But in modern times it has hugely accelerated. The timing has differed in the various parts of the world, with the biggest movements linked to boosts in agricultural productivity combined with opportunities for employment elsewhere, most frequently in an urban setting. It has been a major engine of economic growth, transferring people from lower productivity agriculture to higher productivity activities in towns.

In some industrial countries this process has gone on for two hundred years, and in recent times rural-urban migration within countries has been slowing down. But elsewhere, in poorer countries like China, the recent transformation from rural to urban living has been dramatic enough to be called “the greatest mass migration in human history”. Over the years 1990-2015 the Chinese urban population has grown by 463 million, of whom roughly half are migrants from villages to towns and cities.<sup>1</sup> By contrast, over the same period the increase in the number of international migrants in the entire world has been 90 million, less than half as many as rural to urban migrants in China alone. Thus internal migration is an order of magnitude larger than

international migration. But it has received less attention from students of wellbeing – even though both types of migration raise similar issues for the migrants, for those left behind, and for the populations receiving the migrants.

The shift to the towns is most easily seen by looking at the growth of urban population in developing countries (see Table 1.1). Between 1990 and 2015 the fraction of people in these countries who live in towns rose from 30% to nearly 50%, and the numbers living in towns increased by over 1,500 million people. A part of this came from natural population growth within towns or from villages becoming towns. But at least half of it came from net migration into the towns. In the more developed parts of the world there was also some rural-urban migration, but most of that had already happened before 1990.

**Table 1.1: Change in the Urban Population in Developing Countries 1990–2015**

	Change in urban population	Change in % urbanised
China	+ 463m	+ 30%
Other East Asian and Pacific	+ 211m	+11%
South Asia	+ 293m	+ 8%
Middle East and North Africa	+ 135m	+ 9%
Sub-Saharan Africa	+ 242m	+ 4%
Latin America and Caribbean	+ 191m	+ 10%
<b>Total</b>	<b>+ 1,535m</b>	<b>+ 19%</b>

Source: Chapter 4.

## International Migration

If rural-urban migration within countries is an age-old phenomenon, large-scale international migration has increased greatly in recent years due to globalisation (see Table 1.2). In 1990 there were in the world 153 million people living outside the country where they were born.<sup>2</sup> By 2015 this number had risen to 244 million, of whom about 10% were refugees.<sup>3</sup> So over the last quarter century international migrants increased by 90 million. This is a large number, even if dwarfed by the scale of rural-urban migration. In addition, on one estimate there are another 700 million people who would like to move between countries but haven't yet done so.<sup>4</sup>

**Table 1.2: Number of International Migrants**

	Number of migrants	Migrants as % of world population
1970	85m	2.3
1990	153m	2.9
2015	244m	3.3

Source: World Migration Report 2018

Of the increased number of recent migrants, over a half comes from migration between continents (see Table 1.3). There were big migrations into North America and Europe, fuelled by emigration from South/Central America, Asia and Africa. There were also important flows of international migrants within continent (see Table 1.4). In Asia for example there were big flows from the Indian sub-continent to the Gulf States; and in Europe there was the strong Westward flow that has followed the end of Communism.

From the point of view of the existing residents an important issue is how many immigrants there are, as a share of the total population. This requires us to look at immigrants as a fraction of the total population. At the world level this has risen by a half in recent years (see Table 1.2). But in most of the poorer and highly populous countries of the world, the proportion of migrants remains quite low. It is in some richer countries that the proportion of immigrants is very high. In Western Europe, most countries have immigrants at between 10 and 15 per cent of the population.<sup>5</sup> The same is true of the USA; while Canada, Australia and New Zealand have between 20 and 30%. The most extreme cases are the UAE and Kuwait, both over 70%. Figure 1.1 shows the situation worldwide.

**Table 1.3: Numbers of International Migrants from a Different Continent (Millions)**

	By destination continent		By continent of origin	
	1990	2015	1990	2015
Europe	20	35	20	20
North America	24	50	2	3
South/Central America	3	3	12	30
Asia	10	12	22	40
Africa	1	2	8	17
Oceania	4	7	-	1
<b>Total</b>	<b>62</b>	<b>109</b>	<b>64</b>	<b>111</b>

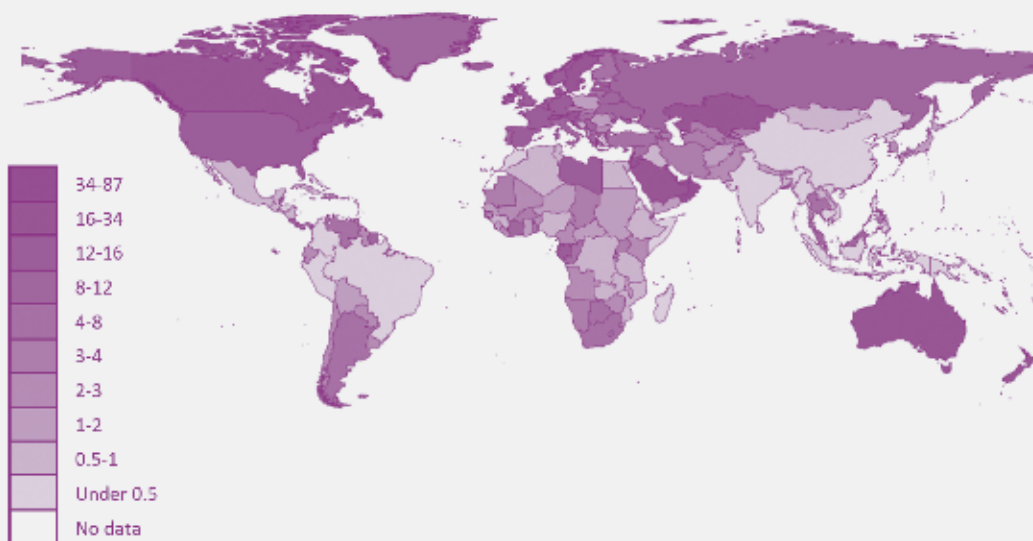
Source: World Migration Report 2018.

**Table 1.4: Numbers of International Migrants from a Different Country Within the Same Continent (Millions)**

	1990	2015
Europe	28	40
North America	1	2
South/Central America	4	6
Asia	36	59
Africa	13	17
Oceania	1	1
<b>Total</b>	<b>83</b>	<b>125</b>

Source: World Migration Report 2018

**Figure 1.1: Percentage of Population Born Outside the Country**





## The Happiness of International Migrants

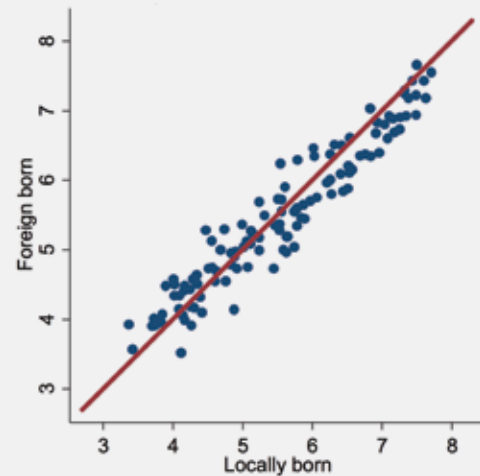
As already noted, migration within and between countries has in general shifted people from less to more productive work, and from lower to higher incomes. In many cases the differences have been quite extreme. International migration has also saved many people from extremes of oppression and physical danger – some 10% of all international migrants are refugees, or 25 million people in total.

But what can be said about the happiness of international migrants after they have reached their destination? Chapter 2 of this report begins with its usual ranking and analysis of the levels and changes in the happiness of all residents, whether locally born or immigrants, based on samples of 1,000 per year, averaged for 2015-2017, for 156 countries surveyed by the Gallup World Poll. The focus is then switched to international migration, separating out immigrants to permit ranking of the average life evaluations of immigrants for the 117 countries having more than 100 foreign-born respondents between 2005 and 2017. (These foreign-born residents may include short-term guest workers, longer term immigrants, and serial migrants who shift their residency more often, at different stages of their upbringing, careers, and later lives).

So what determines the happiness of immigrants living in different countries and coming from different, other countries? Three striking facts emerge.

- 1. In the typical country, immigrants are about as happy as people born locally.** (The difference is under 0.1 point out of 10). This is shown in Figure 1.2. However the figure also shows that in the happiest countries immigrants are significantly less happy than locals, while the reverse is true in the least happy countries. This is because of the second finding.
- 2. The happiness of each migrant depends not only on the happiness of locals (with a weight of roughly 0.75) but also on the level of happiness in the migrant's country of origin (with a weight of roughly 0.25).** Thus if a migrant goes (like many migrants) from a less happy to a more happy country, the migrant ends up somewhat less happy than

**Figure 1.2: Average Life Evaluation of Foreign-Born and Locally-Born Adults: by Country**



Source: Chapter 2

the locals. But the reverse is true if a migrant goes from a more to a less happy country. This explains the pattern shown in Figure 1.2 – and is a general (approximate) truth about all bilateral flows. Another way of describing this result is to say that on average, a migrant gains in happiness about three-quarters of the difference in average happiness between the country of origin and the destination country.

- 3. The happiness of immigrants also depends importantly on how accepting the locals are towards immigrants.** (To measure acceptance local residents were asked whether the following were “good things” or “bad things”: having immigrants in the country, having an immigrant as a neighbour, and having an immigrant marry your close relative). In a country that was more accepting (by one standard deviation) immigrants were happier by 0.1 points (on a 0 to 10 scale).

Thus the analysis in Chapter 2 argues that migrants gain on average if they move from a less happy to a more happy country (which is the main direction of migration). But that argument was based on a simple comparison

of the happiness of migrants with people in the countries they have left. What if the migrants were different types of people from those left behind? Does this change the conclusion? As Chapter 3 shows, the answer is, No. In Chapter 3 the happiness of migrants is compared with individuals in their country of origin who are as closely matched to the migrants as possible and are thinking of moving. This again uses the data from the Gallup World Poll. The results from comparing the migrants with their look-a-likes who stayed at home suggests that the average international migrant gained 0.47 points (out of 10) in happiness by migration (as measured by the Cantril ladder). This is a substantial gain.

But there is an important caveat: the majority gain, but many lose. For example, in the only controlled experiment that we know of, Tongans applying to migrate to New Zealand were selected on randomised basis.<sup>6</sup> After moving, those who had been selected to move were on average less happy than those who (forcibly) stayed behind. Migration clearly has its risks. These include separation from loved ones, discrimination in the new location, and a feeling of relative deprivation, because you now compare yourself with others who are richer than your previous reference group back home.

One obvious question is: Do migrants become happier or less happy the longer they have been in a country? The answer is on average, neither – their happiness remains flat. And in some countries (where this has been studied) there is evidence that second-generation migrants are no happier than their immigrant parents.<sup>7</sup> One way of explaining these findings (which is developed further in Chapter 4) is in terms of reference groups: When people first move to a happier country, their reference group is still largely their country of origin. They experience an immediate gain in happiness. As time passes, their objective situation improves (which makes them still happier) but their reference group becomes increasingly the destination country (which makes them less happy). These two effects roughly offset each other. This process continues in the second generation.

The Gallup World Poll excludes many current refugees, since refugee camps are not surveyed. Only in Germany is there sufficient evidence on refugees, and in Germany refugees are 0.4 points

less happy than other migrants. But before they moved, the refugees were also much less happy than the other migrants were before they moved. So refugees too are likely to have benefitted from migration.

Thus average international migration benefits the majority of migrants, but not all. Does the same finding hold for the vast of the army of people who have moved from the country to the towns within less developed countries?

## The Happiness of Rural-Urban Migrants

The fullest evidence on this comes from China and is presented in Chapter 4. That chapter compares the happiness of three groups of people:

- rural dwellers, who remain in the country,
- rural-urban migrants, now living in towns, and
- urban dwellers, who always lived in towns.

Migrants have roughly doubled their work income by moving from the countryside, but they are less happy than the people still living in rural areas. Chapter 4 therefore goes on to consider possible reasons for this. Could it be that many of the migrants suffer because of the remittances they send home? The evidence says, No. Could it be that the people who migrate were intrinsically less happy? The evidence says, No. Could it be that urban life is more insecure than life in the countryside – and involves fewer friends and more discrimination? Perhaps.

The biggest factor affecting the happiness of migrants is a change of reference group: the happiness equation for migrants is similar to that of urban dwellers, and different from that of rural dwellers. This could explain why migrants say they are happier as a result of moving – they would no longer appreciate the simple pleasures of rural life.

Human psychology is complicated, and behavioural economics has now documented hundreds of ways in which people miscalculate the impact of decisions upon their happiness. It does not follow that we should over-regulate their lives, which would also cause unhappiness. It does follow that we should protect people after they make their decisions, by ensuring that they can make positive social connections in their new communities (hence avoiding or reducing discrimination), and that they are

helped to fulfil the dreams that led them to move in the first place.

It is unfortunate that there are not more studies of rural-urban migration in other countries. In Thailand one study finds an increase in happiness among migrants<sup>8</sup>, while in South Africa one study finds a decrease<sup>9</sup>.

## **The Happiness of Families Left Behind**

In any case the migrants are not the only people who matter. What about the happiness of the families left behind? They frequently receive remittances (altogether some \$500 billion into 2015).<sup>10</sup> But they lose the company and direct support of the migrant. For international migrants, we are able to examine this question in Chapter 3.

This is done by studying people in the country of origin and examining the effect of having a relative who is living abroad. On average this experience increases both life-satisfaction and positive affect. But there is also a rise in negative affect (sadness, worry, anger), especially if the migrant is abroad on temporary work. Unfortunately, there is no comparable analysis of families left behind by rural-urban migrants who move to towns and cities in the same country.

## **The Happiness of the Original Residents in the Host Country**

The final issue is how the arrival of migrants affects the existing residents in the host country or city. This is one of the most difficult issues in all social science.

One approach is simply to explain happiness in different countries by a whole host of variables including the ratio of immigrants to the locally-born population (the “immigrant share”). This is done in Chapter 2 and shows no effect of the immigrant share on the average happiness of the locally born.<sup>11</sup> It does however show that the locally born population (like immigrants) are happier, other things equal, if the country is more accepting of immigrants.<sup>12</sup>

Nevertheless, we know that immigration can create tensions, as shown by its high political salience in many immigrant-receiving countries, especially those on migration trails from unhappy source countries to hoped-for havens in the north.

Several factors contribute to explaining whether migration is welcomed by the local populations.<sup>13</sup> First, scale is important. Moderate levels of immigration cause fewer problems than rapid surges.<sup>14</sup> Second, the impact of unskilled immigration falls mainly on unskilled people in the host country, though the impact on public services is often exaggerated and the positive contribution of immigrants is often underestimated. Third, the degree of social distress caused to the existing residents depends importantly on their own frame of mind – a more open-minded attitude is better both for immigrants and for the original residents. Fourth, the attitude of immigrants is also important – if they are to find and accept opportunities to connect with the local populations, this is better for everyone. Even if such integration may initially seem difficult, in the long run it has better results – familiarity eventually breeds acceptance,<sup>15</sup> and inter-marriage more than anything blurs the differences. The importance of attitudes is documented in the Gallup Annex on migrant acceptance, and in Chapter 2, where the migrant acceptance index is shown to increase the happiness of both sectors of the population – immigrants and the locally born.

Chapter 5 completes the set of migration chapters. It seeks to explain why so many people emigrate from Latin American countries, and also to assess the happiness consequences for those who do migrate. In Latin America, as elsewhere, those who plan to emigrate are on average less happy than others similar to themselves in income, gender and age. They are also on average wealthier – in other words they are “frustrated achievers”. But those who do emigrate from Latin American countries also gain less in happiness than emigrants from some other continents. This is because, as shown in chapters 2 and 6, they come from pretty happy countries. Their choice of destination countries is also a less happy mix. This combination lessens their average gains, because of the convergence of immigrant happiness to the general happiness levels in the countries to which they move, as documented in Chapter 2. If immigrants from Latin America are compared to other migrants to the same countries, they do very well in relation both to other immigrants and to the local population. This is shown in Chapter 2 for immigration to Canada and the United Kingdom – countries with large

enough happiness surveys to permit comparison of the happiness levels of immigrants from up to 100 different source countries.

Chapter 6 completes the Latin American special package by seeking to explain the happiness bulge in Latin America. Life satisfaction in Latin America is substantially higher than would be predicted based on income, corruption, and other standard variables, including having someone to count on. Even more remarkable are the levels of positive affect, with eight of the world's top ten countries being found in Latin America. To explain these differences, Chapter 6 convincingly demonstrates the strength of family relationships in Latin America. In a nutshell, the source of the extra Latin American happiness lies in the remarkable warmth and strength of family bonds, coupled with the greater importance that Latin Americans attach to social life in general, and especially to the family. They are more satisfied with their family life and, more than elsewhere, say that one of their main goals is making their parents proud.

## Conclusion

In conclusion, there are large gaps in happiness between countries, and these will continue to create major pressures to migrate. Some of those who migrate between countries will benefit and others will lose. In general, those who move to happier countries than their own will gain in happiness, while those who move to unhappier countries will tend to lose. Those left behind will not on average lose, although once again there will be gainers and losers. Immigration will continue to pose both opportunities and costs for those who move, for those who remain behind, and for natives of the immigrant-receiving countries.

Where immigrants are welcome and where they integrate well, immigration works best. A more tolerant attitude in the host country will prove best for migrants and for the original residents. But there are clearly limits to the annual flows which can be accommodated without damage to the social fabric that provides the very basis of the country's attraction to immigrants. One obvious solution, which has no upper limit, is to raise the happiness of people in the sending countries – perhaps by the traditional means of foreign aid and better access to rich-country markets, but more importantly by helping them to grow their own levels of trust, and institutions of the sort that make possible better lives in the happier countries.

**To re-cap, the structure of the chapters that follow is:**

**Chapter 2** analyses the happiness of the total population in each country, the happiness of the immigrants there, and also the happiness of those born locally.

**Chapter 3** estimates how international migrants have improved (or reduced) their happiness by moving, and how their move has affected the families left behind.

**Chapter 4** analyses how rural-urban migration within a country (here China) affects the happiness of the migrants.

**Chapter 5** looks at Latin America and analyses the causes and consequences of emigration.

**Chapter 6** explains why people in Latin American countries are on average, other things equal, unusually happy.

In addition,

**Chapter 7** uses US data set in a global context to describe some growing health risks created by human behaviour, especially obesity, substance abuse, and depression.

## Endnotes

- 1 As Chapter 4 documents, in 2015 the number of rural hukou residents in towns was 225 million.
- 2 This is based on the definitions given in the sources to UN-DESA (2015) most of which are “foreign born”.
- 3 See IOM (2017).
- 4 See Esipova, N., Ray, J. and Pugliese, A. (2017).
- 5 See World Migration Report 2018, Chapter 3.
- 6 See Chapter 3.
- 7 See Safi, M. (2009).
- 8 De Jong et al. (2002)
- 9 Mulcahy & Kollamparambil (2016)
- 10 Ratha et al. (2016)
- 11 In this analysis, the equation includes all the standard explanatory variables as well, making it possible to identify the causal effect of the immigrant share. (This share also of course depends on the happiness level of the country but in a much different equation). A similar approach, using individual data, is used by Akay et al (2014) comparing across German regions, and by Betz and Simpson (2013) across the countries covered by the European Social Survey. Both found effects that were positive (for only some regions in Akay et al (2014) but quantitatively tiny. Our results do not rule out the possibility of small effects of either sign.
- 12 One standard deviation raises their happiness on average by 0.15 points. This estimate comes from an equation including, also on the right-hand side, all the standard variables explaining country-happiness used in Chapter 2. This provides identification of an effect running from acceptance to happiness rather than vice versa.
- 13 See Putnam, R. D. (2007).
- 14 Another important factor is the availability of sparsely-populated space. Earlier migrations into North America and Oceania benefitted from more of this.
- 15 See for example Rao (2018).

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