

# Welfare Dynamics in the Arab World: Synthetic Panel Analysis Using Objective and Subjective Data

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**Paper Abstract:** This paper provides a study of welfare dynamics for countries in the MENA region that combines both objective and subjective welfare measures. Absent actual panel data, we employ recently developed statistical techniques to construct synthetic panels using repeated cross sections from household surveys and the Gallup Poll data, which span the Arab Spring period. Our findings suggest that analysis of welfare dynamics using household surveys' expenditure data do not always align with that based on subjective wellbeing data, which points to the need to combine both type of data for richer analysis. We find that before the Arab Spring, upward mobility for objective welfare was reasonably strong for Palestine, Tunisia, and Syria, while downward mobility is larger for Yemen, Egypt, and Jordan. Life satisfaction was falling, however, in most countries during the Arab Spring transitions. Only Morocco shows positive dynamics with the size of the unhappy population declining by more than a quarter.