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Efstratia Arampatzi (Erasmus Happiness Economics Research Organization)

Martijn Burger (Erasmus University)

Elena Ianchovichina (World Bank)

Tina Röhricht (Erasmus Happiness Economics Research Organization)

Ruut Veenhoven (Erasmus Happiness Economics Research Organization)

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# Unhappy Development: Dissatisfaction with Life in the Wake of the Arab Spring\*

*Efstratia Arampatzi,\* Martijn Burger,† Elena Ianchovichina,‡ Tina Röhricht,§ and Ruut Veenhoven•*

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## Abstract

Despite economic and social development progress in the 2000s, there has been an increasing dissatisfaction with life among the population of many developing Arab countries which at the end of the decade ranked amongst the least happy economies in the world. This situation fits the so-called ‘unhappy development’ paradox, defined as declining levels of happiness at a time of moderate to rapid economic development. This paper empirically tests the strength of association of a range of objective factors and subjective domain satisfactions with life evaluation in developing MENA in the years immediately preceding the Arab Spring uprisings (2009-2010). The findings suggest a significant, negative association between life satisfaction levels in the region during this period and each of the main perceived reasons for the 2011 uprisings - dissatisfaction with the standards of living, poor labor market conditions, and ‘wasta’.

**JEL Classification:** I31, Z13

**Keywords:** developing Arab countries, Middle East and North Africa; Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Syria, Tunisia, Palestine territories, Yemen; grievances; life satisfaction; Arab Spring; uprisings; standards of living; labor market; governance.

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† Efstratia Arampatzi is junior researcher at the Erasmus Happiness Economics Research Organization, Erasmus University Rotterdam, P.O. Box 1738, 3000 DR Rotterdam, the Netherlands. E-mail: [arampatzi@ese.eur.nl](mailto:arampatzi@ese.eur.nl).

‡ Martijn Burger is assistant professor at the Department of Applied Economics, Erasmus University, Rotterdam, Tinbergen Institute and academic director at the Erasmus Happiness Economics Research Organization, P.O. Box 1738, 3000 DR Rotterdam, the Netherlands, Tel: +31 (0) 10 4089579, Fax: +31 (0) 10 4089141. E-mail: [mburger@ese.eur.nl](mailto:mburger@ese.eur.nl). URL: <http://www.mjburger.net>.

§ Elena Ianchovichina is lead economist at the Chief Economist Office, Middle East and North Africa Region, the World Bank, 1818 H Street NW, Washington, DC 20433, USA, Tel: +1 202 458 8910, E-mail: [eianchovichina@worldbank.org](mailto:eianchovichina@worldbank.org).

• Tina Röhricht is research assistant at the Erasmus Happiness Economics Research Organization, Erasmus University Rotterdam P.O. Box 1738, 3000 DR Rotterdam, the Netherlands. E-mail: [roehricht@ese.eur.nl](mailto:roehricht@ese.eur.nl).

• Ruut Veenhoven is emeritus professor at the Erasmus Happiness Economics Research Organization, P.O. Box 1738, 3000 DR Rotterdam, the Netherlands and extraordinary professor at the North-West University, South Africa. E-mail: [veenhoven@ese.eur.nl](mailto:veenhoven@ese.eur.nl).

## 1. The ‘unhappy development’ paradox in developing Arab countries

In the 2000s, many developing countries in the Middle East and North Africa (MENA) did well according to the regularly tracked poverty statistics and human development indicators. Absolute poverty, measured at \$1.25 a day, declined in all economies, except Yemen, and was low on average. The incomes of the bottom 40%, measured as 2005 PPP-adjusted per capita expenditure, grew at higher rates than average expenditures in many developing Arab countries for which information was available (Ianchovichina et al., 2015). The Gini inequality indexes were low by international standards and did not worsen in most MENA economies (Ianchovichina et al., 2015). Importantly, the region made notable strides in reaching not only the Millennium Development Goals related to poverty and access to infrastructure services (especially, drinking water and sanitation, and internet connectivity), but also in terms of reducing hunger, child and maternal mortality, and increasing school enrollment (Iqbal and Kindrebeogo, 2015).

Prior to the Arab Spring uprising, most developing MENA countries were seen as relatively stable places. Only two MENA countries – Iraq (7<sup>th</sup>) and Yemen (15<sup>th</sup>) – made it to the top 25 of the 2010 Failed States Index<sup>1</sup> of Foreign Policy. Libya and Tunisia were ranked 111<sup>th</sup> and 118<sup>th</sup> out of 177 countries, respectively, and so they appeared among the stronger and less fragile countries in the world (Goodwin, 2011). With autocratic rulers in power for many years, the cracks in these countries’ models of government remained invisible to most observers, including political scientists (Gause, 2011), and some even considered Islam a stabilizing force (Bromley, 2014). Thus, the Arab Spring transitions of 2011 took most economists, political scientists, and policymakers by surprise (Gause, 2011; Goodwin, 2011; Bellin, 2012; Bromley, 2014).

Yet, the emergence of social discontent in the Arab countries could be detected using subjective data. Life satisfaction in many MENA countries was below the average for the group of countries at similar level of development (Figure 1a) and had dropped significantly in the years prior to the Arab Spring events (Figures 1b). By the end of the 2000s, the people in the developing parts of MENA, especially in Egypt, Iraq, Syria, Tunisia, and Yemen, were amongst the less happy people in the world (see Figure 2 and Appendix A).<sup>2</sup> In Egypt, for instance, average life-evaluation levels plunged on a 0-10 scale<sup>3</sup> from 5.5 in 2007 to 4.4 in 2010 – a deep drop in the context of

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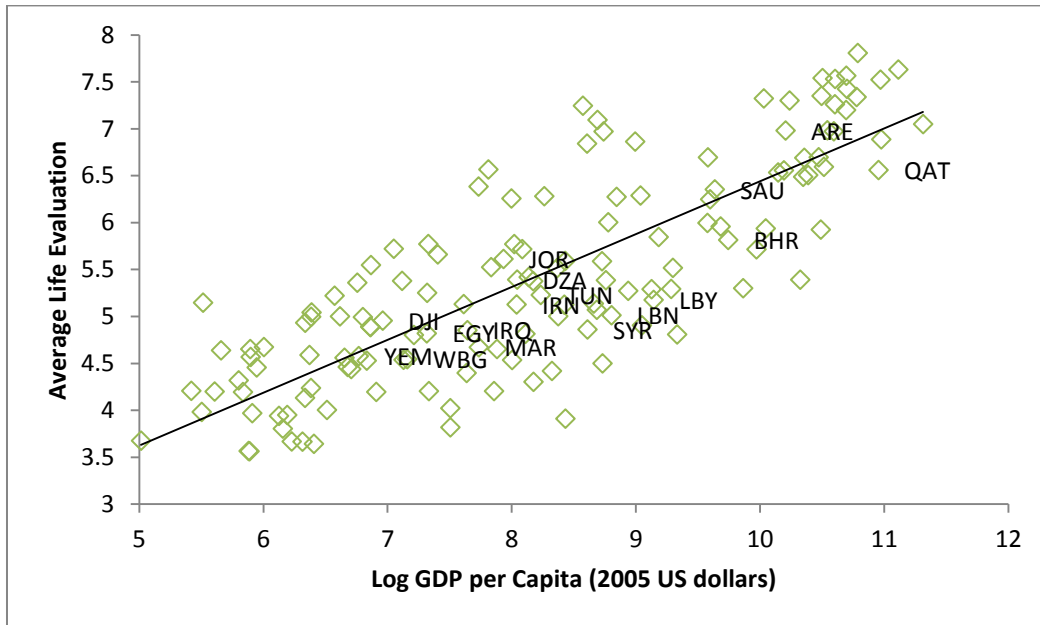
<sup>1</sup> The Failed States Index measures stability based on economic, political, and military indicators.

<sup>2</sup> The incidence of depression was also observed to be high in MENA, according to Ferrari et al. (2013).

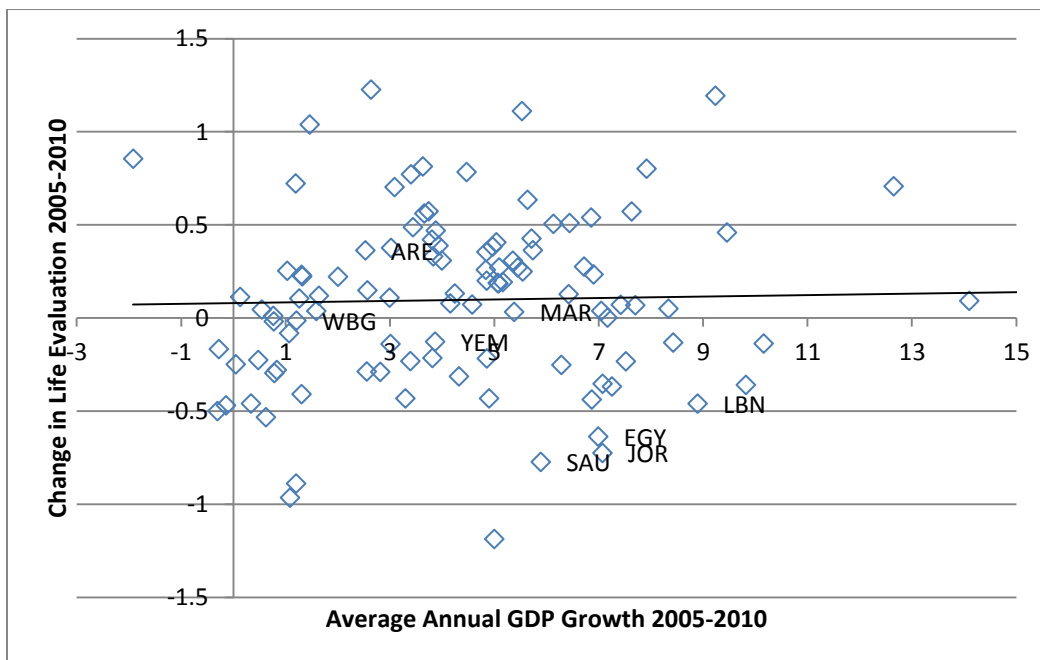
<sup>3</sup> The two extreme ends of the range capture worst possible life (0) and best possible life (10).

improvements observed in socio-economic statistics and growth in per capita incomes (see Figure 1b).

**Figure 1a: GDP per Capita and Life Evaluation (2008-2010)**

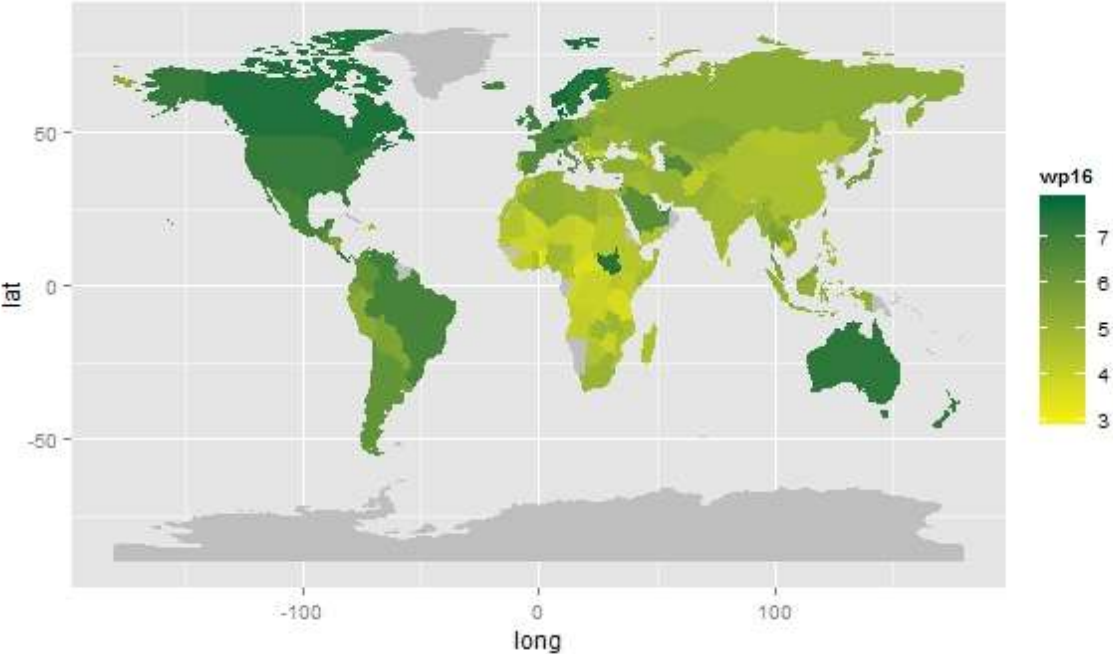


**Figure 1b: Percentage Growth (GDP) and Change in Life Evaluation (Weighted Averages) in 106 countries, 2005-2010**



Sources: Real GDP per Capita: World Bank Development Indicators; Life Satisfaction: World Database of Happiness. Note: Numbers are weighted averages for 147 countries. Abbreviations: ARE=United Arab Emirates; EGY=Egypt; JOR=Jordan; LBN=Lebanon; MAR=Morocco; SAU=Saudi Arabia; WBG=West Bank and Gaza; YEM=Yemen.

**Figure 2: Average Life Satisfaction in Countries (2006-2012)**



Source: Gallup (2013), Based on the Question WP16: *Please imagine a ladder, with steps numbered from 0 at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?*

The phenomenon of rapid economic growth occurring at a time of declining levels of subjective well-being is known as the ‘unhappy growth’ paradox (Graham and Lora, 2009). Controlling for per capita incomes, a number of recent cross-country studies by Deaton (2008), Graham and Lora (2009), and Stevenson and Wolfers (2008) find that people living in countries with higher economic growth levels are on average less happy than those living in countries with less growth, highlighting the importance of taking into account people’s perceptions when attempting to understand nation’s wellbeing. In this paper we focus on the so called ‘unhappy development’ paradox, defined here as declining levels of happiness at a time of moderate to rapid economic growth and social development.

There could be many reasons for this paradox in developing Arab countries. There might have been a rise in people’s expectations and aspirations, particularly those of youth who had acquired better education than their parents and expected to find good jobs after graduation. (Campante and Chor, 2012). A widening gap between actual and expected welfare may have increased people’s aversion to inequality and social injustice (Verme et al., 2014; Cammett and Diwan, 2013) and affected negatively their levels of happiness. This hypothesis is consistent with the findings in Bruni (2004) who argues that more economic wealth does not necessarily transform

into higher levels of well-being since it may negatively affect non-economic wealth and perceptions. Even in the absence of a shift in expectations, people may have become more frustrated with difficult-to-measure factors related to quality such as the deterioration in the quality of public services, the ability to get good quality jobs, institutional and environmental quality. Worsening of other subjective indicators such as the ability to voice concerns and demand accountability and the incidence of corruption and cronyism may have also contributed to deterioration in wellbeing.

Motivated by the need to understand the ‘unhappy development’ paradox in developing MENA, this paper empirically tests which factors are associated with life dissatisfaction in MENA countries in the years immediately preceding the Arab Spring uprisings (2009-2010), taking into account both objective and perceptions data regarding different aspects of life and society. In addition, we compare the extent to which the factors associated with life dissatisfaction are also associated with the Arab Spring social upheaval in developing MENA.

The paper adds to the literature in three ways. To our knowledge, we are the first to empirically examine the relative importance of different explanations provided for the declining life satisfaction in developing MENA in the wake of the Arab Spring. In particular, we examine several explanations or hypotheses for the fall in life satisfaction in developing MENA countries, including dissatisfaction with: (1) the political system of autocracy and limited civil freedoms, (2) the standard of living, (3) the high unemployment and poor quality jobs, and (4) corruption and crony capitalism. Second, we investigate systematically the factors behind the decline in life satisfaction by decomposing the decline into two components: a first-order effect associated with changes in the prevalence of dissatisfied individuals and a second-order effect associated with changes in the relative importance of these factors or perception domains for life satisfaction. In other words, this decomposition allows us to determine whether life satisfaction declined because a greater percentage of people became more dissatisfied with certain domain satisfactions or whether the relative importance of the domain satisfaction for subjective wellbeing increased. Third, we compare the factors related to unhappiness in developing MENA to the perceived reasons for the Arab Spring uprisings. We find that the main perceived reasons for the uprisings are the factors associated significantly and negatively with subjective wellbeing levels in developing MENA during this period. Our findings suggest that perceptions provide valuable information about public preferences and needs, which are typically not reflected in objective data (Veenhoven, 2002). In other words, we make the case that both objective and subjective (or

perceptions) data matter for understanding the root causes of political violence (cf. Okulicz-Kozaryn, 2011).

The remainder of this paper is organized as follows. Section 2 presents the potential root causes of dissatisfaction with life in developing MENA. Section 3 discusses the concepts, methodology and data used in the empirical exploration. The results of this empirical analysis are presented in section 4. Finally, section 5 concludes with a summary of findings, a discussion of how these results link to the reasons for the Arab Spring uprisings, and a few caveats.

## **2. Root Causes of Dissatisfaction with Life in Developing MENA Countries**

A look at the universal conditions for happiness, as presented in cross-country studies focusing on life satisfaction, provides limited understanding of the root causes of dissatisfaction with life in the Arab World. To understand the factors shaping the subjective wellbeing in the developing Arab countries prior to the Arab Spring, we must factor in explicitly the social context in these countries during this time period.

There is no consensus on the root causes for life dissatisfaction in the Arab World on the eve of the Arab Spring. Several explanations have been put forward: (1) limited freedom and voice in predominantly autocratic states, (2) dissatisfaction with standards of living, (3) unhappiness with persistent unemployment and lack of good jobs due to the growing informality of the private sector, and (4) dissatisfaction with corruption and cronyism which limits opportunities for those who work hard. Each of these explanations is discussed in greater detail below.

### *Autocracy*

On the eve of the Arab Spring, most Arab states were longstanding autocracies (Cingranelli-Richards Human Rights Dataset, 2015; Bromley, 2014; and Cammett and Diwan, 2013). Power was concentrated in the hands of one person or a small group of elites, backed by the military, who made decisions subject to few legal restraints and mechanisms of popular control. At the same time the public had few if any channels of safe expression of opinions and grievances and opportunities to develop strong civil society. The longstanding regimes managed to stay in power through a combination of repressive practices and a social contract, which extended benefits such as free public education and health, energy and food subsidies, and guarantees for public employment in exchange for political support (Bellin, 2004; Bromley, 2014; Cammett and Diwan, 2013). Cammett and Diwan (2013) refer to this social contract as an ‘autocratic bargain’,

in which the middle class was lured with ‘material benefits’ in exchange for ‘political quiescence.’ Thus, despite human development and economic progress after independence, the developing MENA countries scored low in terms of economic and social freedoms and the Freedom House ranked the region as the most repressive in the world (Freedom House, 2008).

The extent to which people are free to make choices and voice opinions has a major impact on their happiness (Inglehart et al., 2008; Verme, 2009). Democracies are, on average, happier than autocracies (Frey and Stutzer, 2000), but the effect of democracy on happiness is stronger in countries with established democratic traditions (Dorn et al., 2007). Fereidouni et al. (2013) obtained no significant relationship between voice and accountability and happiness in developing MENA countries. Ott (2010) also found that the correlation between happiness and democracy is relatively weak in the MENA region. The ‘autocratic bargain’ may have weakened the direct link between happiness and limited freedom in developing MENA. Individuals who obtain ‘material benefits’ in exchange for political support may express dissatisfaction with living conditions rather than with the system responsible for the deterioration in the authoritarian bargain. They may initially voice mainly their dissatisfaction with living conditions and the factors affecting their quality of life, for instance, poor access to quality services and job market conditions.

#### *Dissatisfaction with Standards of Living*

By the early 2000s major cracks appeared in the social contract of redistribution without voice in developing MENA. After independence, natural resource rents enabled many Arab countries’ governments to finance redistributive policies without imposing a heavy tax burden on citizens. But in the 1990s and 2000s, fiscal pressures increased, reflecting disappointing growth in the 1980s and growing recurrent expenditures, especially on public wages and subsidies. Governments responded by downsizing the public sector, removing the guarantees for secure public jobs, and initiating reforms of their the food and energy subsidy programs.<sup>4</sup> During this period unemployment increased and many households noted deterioration in their standards of living.

High dependence on imported food and limited fiscal space meant that the global commodity price increases of the 2000s would transmit to domestic markets despite the presence of food

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<sup>4</sup> Some governments were more successful than others in cutting subsidies and improving targeting. Most economies made only partial reforms to their subsidy systems and reverse the reforms in response to the Arab Spring events.



subsidies (Korotayev and Zikina, 2011; Ianchovichina et al., 2012).<sup>5</sup> For the poor, the increase in food and energy prices meant deterioration in their ability to meet basic needs.<sup>6</sup>

The global economic crisis of 2008 put additional stress on the MENA economies. In Egypt, the crisis was associated with a steep decline in real earnings growth; in Tunisia, it re-enforced the upward trend in unemployment; and in Jordan, it slowed down employment growth. Dissatisfaction with basic public services such as healthcare, housing, schools, and infrastructure also grew in the developing MENA countries (Gallup, 2013), reflecting the erosion in the quality of public services.

By the end of the 2000s, this erosion in standards of living was felt not only by the poor, but by segments of the population, including the middle class. A gradual shift in government support to the elites became a particular concern (Cammatt and Diwan, 2013). People were frustrated as they could not get ahead by working hard and share in the prosperity generated by the relatively few, large and successful Arab firms which were mostly state-owned or privately owned companies (OECD, 2009).<sup>7</sup> Reflecting diminishing marginal utility, the widespread system of subsidies could not compensate for the erosion of living standards; food and energy subsidies mattered less for the wellbeing of the middle class than they did for the wellbeing of the poor and vulnerable (Ianchovichina et al., 2015).

### *Unemployment and Low Quality Jobs*

Dissatisfaction with job market conditions was particularly strong in developing MENA in the wake of the Arab Spring. In the preceding decade, MENA region's average, aggregate and youth unemployment rates were highest in the world. Without guarantees for secure public jobs, young people, who entered the labor market better prepared than their parents in terms of educational qualifications (Barro and Lee, 2010; Campante and Chor, 2012), were either forced to queue for public sector jobs or to take part time or low quality jobs in the informal sector (Chamlou, 2013).<sup>8</sup> Employment in the informal sector offered little protection at old age, limited access to

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<sup>5</sup> However, prices for these basic needs are typically not well covered by standard inflation and poverty measures, which would explain why the Arab Spring came as a surprise for many scholars and policymakers

<sup>6</sup> According to Maslow (1943), in the hierarchy of individual demands a person's physiological needs for basics such as food, water and shelter dominate all other needs. In other words, if these basic needs are not supplied, all other human needs are pushed into the background and the individual only seeks to satisfy his or her hunger. Individual anxiety over rising costs of food or shelter can therefore trigger unhappiness and, in some cases, riots (Lagi et al., 2011). The risk of riots is particularly high in lower income countries where the share of food and other necessities in household expenditure is high (Arezki and Brückner, 2011).

<sup>7</sup> According to OECD (2009), very few large Arab firms are publicly traded companies.

<sup>8</sup> The informal sector consists of firms, workers, and activities that operate outside the legal and regulatory frameworks.

quality healthcare, and benefits such as paid maternity and annual leave (Angel-Urdinola et al., 2011 and World Bank, 2014a).

The mismatch between education attainment and economic opportunities created a gap between reality and expectations, lowering youth's life satisfaction, amplifying perceptions of inequality and unfairness, and potentially contributing to social unrest (Campante and Chor, 2012). In the literature, the negative association between happiness and unemployment is well-established and can be explained by a combination of income loss and psychic costs related to psychological distress and loss of identity and self-respect (Veenhoven, 1989; Gallie and Russel, 1998). The deterring effect of unemployment on happiness is more severe for the long-term unemployed (Clark and Oswald, 1994), which is particularly high in the MENA region, and for people with limited job opportunities (Clark et al., 2010).

### *Crony Capitalism and 'Wasta'*

At a time when public sector employment was contracting, private sector growth was sluggish and few people could find jobs in the formal private sector (Malik and Awadallah, 2013). Private sector growth was stifled by 'cronyism' and fears that a rise of the 'nouveau rich' class would challenge existing power relations.<sup>9</sup> Reforms of the 1990s were implemented in an uneven way benefiting mainly the elites (Chekir and Diwan, 2012; Rijkers et al., 2013) who dominated a range of economic sectors (Malik and Awadallah, 2013).

Perceptions about corruption and crony capitalism also worsened in the wake of the Arab Spring (Cammatt and Diwan, 2013) as reflected in the retreat of MENA countries' rankings on the Corruption Perceptions Index of Transparency International between 2000 and 2010. In addition, most MENA countries scored below average on various governance indicator rankings in the 2000s (e.g. Kaufmann et al., 2011).

Corruption and cronyism flourished in developing MENA with detrimental effects not only on aggregate economic and private sector growth, but also on people's subjective wellbeing (Ott, 2010). There was growing frustration with inequality of opportunity in labor markets and the increased importance of 'wasta' or connections with the elites in getting good quality. These feelings were broadly shared and reflected perceptions of citizens that 'wasta' matters more than credentials for getting good jobs.

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<sup>9</sup> The ruling elites controlled large parts of the private sector and profited from monopoly rights and cheap access to land and other resources (Cammatt and Diwan, 2013).

In summary, it can be argued that the growing dissatisfaction in the wake of the Arab Spring was fueled by a mix of grievances related to the standards of living, unemployment and low quality jobs, and 'wasta' or cronyism. The rest of the paper will test these hypotheses.

### 3. Concepts, Methodology, and Data

The word ‘happiness’ is used in various ways (Veenhoven, 2012). In the broadest sense it is an umbrella term for all that is good. However, in the social sciences the word ‘happiness’ is also used in a more specific way, which refers to an individual’s subjective appreciation of his or her own life. Accordingly, the concept of ‘happiness’ has been defined as ‘*the degree to which an individual judges the overall quality of his/her own life-as-a-whole favorably*’ (Veenhoven, 1984, Chapter 2). This is also commonly referred to by terms such as ‘subjective well-being’ and ‘life satisfaction’.

Thus defined, happiness is something on one’s mind that can be measured using surveys. Common survey questions<sup>10</sup> read: ‘*Taking all together, how happy would you say you are: very happy, quite happy, not very happy, not at all happy?*’ (standard item in the World Value Studies) or ‘*Please imagine a ladder, with steps numbered from 0 at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?*’ (standard item in the Gallup World Poll). Responses to this question from the Gallup World Poll are used in the empirical part of this paper. This question captures predominantly the cognitive component of happiness, also known as contentment.

How happy people are depends both on *objective conditions* and *subjective factors* including perceptions and expectations. According to Layard (2005), objective factors such as gender, age, marital and education status, financial situation, and health determine to a large extent life satisfaction, but subjective factors associated with perceptions and expectations about family relationships, work, community and friends, personal freedom, institutional quality, and personal values are also imperative to individual happiness. These domains of life reflect the most important human needs as identified by Maslow (1943). The relative importance of the objective and subjective determinants of life satisfaction vary over time and across individuals.

To analyse the roots of dissatisfaction with life in developing MENA in the wake of the Arab Spring, we used cross-sectional data from the Gallup World Poll for the years 2009-2010 (Gallup, 2013) and a simple reduced-form life satisfaction model (see Di Tella et al., 2003; Arampatzi et al., 2015):

$$LS_{jit} = \Theta \text{ Individual\_Perceptions}_{jit} + \Sigma \text{ Personal\_Characteristics}_{jit} + \varepsilon_j + \lambda_t + \mu_{jit}. \quad (1)$$

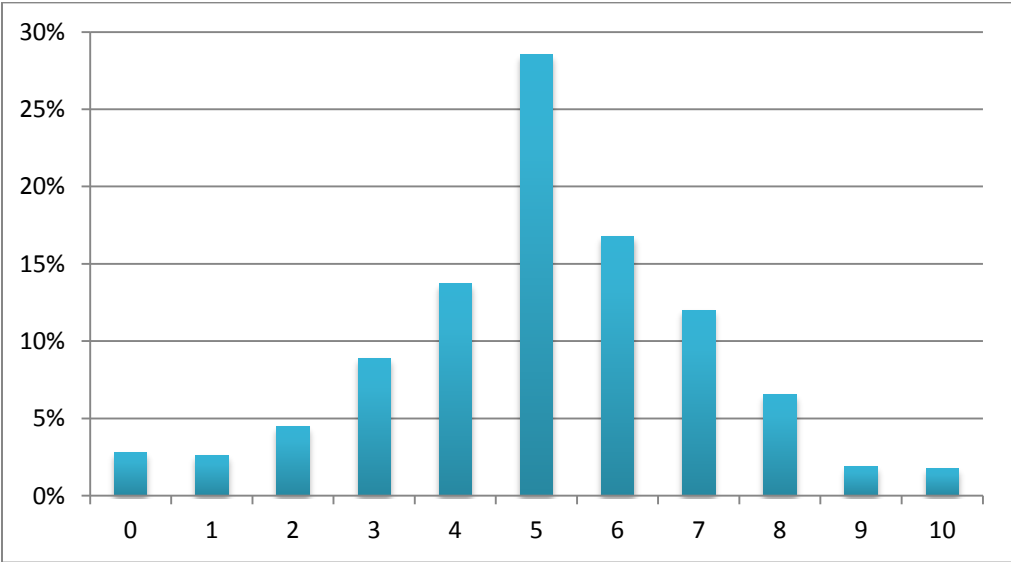
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<sup>10</sup> See Veenhoven (2012) for a discussion of the limitations of direct questioning.

In this model, LS – the overall life satisfaction of individual  $j$  in country  $i$  in year  $t$  – depends on a vector of **Individual\_Perceptions** about social conditions and domain satisfactions of individual  $j$  in country  $i$  in year  $t$ , a vector of objective **Personal\_Characteristics** of individual  $j$  in country  $i$  in year  $t$ , a vector  $\epsilon_i$  of country dummies to control for time-invariant country-specific characteristics, a vector  $\lambda_t$  of month-year dummies capturing time related shocks which are common for all countries in the developing MENA region, and  $\mu_{jit}$  is a residual error. We estimate model (1) using weighted least squares regression (WLS) with robust standard errors and weighting observations using the sampling weights provided by the Gallup World Poll.<sup>11</sup>

The annual Gallup World Poll includes at least 1,000 randomly selected respondents (adult population of 15 years and older) per country and is representative at the national level. In the Gallup World Poll, individuals report on several aspects of their life, including how satisfied they are with their life as a whole and how satisfied they are with different domains of their life. The common sample we use in this paper comprises in total 25,244 respondents from 10 developing MENA countries, including Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Palestine, Syria, Tunisia, and Yemen.

**Figure 3: Distribution of Life Evaluation Scores in Developing MENA (percent by deciles)**



Source: Gallup World Poll (2013).

Life satisfaction was measured using a single question, known as the ‘Cantril Ladder’ or ‘Self-Anchoring Striving Scale’ (Cantril, 1965). This question asks on which step of the ladder, with

<sup>11</sup> Following Ferrer-i-Carbonell and Frijters (2004), we treat the dependent variable as cardinal and not as ordinal.

steps from 0 to 10, a person feels he or she stands at present. The higher the score on the ladder, the closer one's life is seen to his or her ideal life. Figure 3 shows the distribution of happiness scores in the developing MENA region in the 2009-10 period. The unhappiness in the region is evidenced by the fact that 61% of the developing MENA population scores 5 or lower on the Cantril Ladder, while only 10% giving his or her life a score of 8 or higher. Within developing MENA, the degree of life satisfaction ranges by country from 4.66 in Yemen to 6.23 in Jordan (Table 1). It is worth noting that a person with high expectations is more likely to be dissatisfied with his life than a person with low expectations. Thus, the life satisfaction variable captures indirectly the effect of a gap between expected and real welfare.

**Table 1: Life Satisfaction in Developing MENA countries in common sample (2009-2010)**

<b>Variable</b>	<b>Observations</b>	<b>Mean</b>	<b>SD</b>	<b>Min.</b>	<b>Max.</b>
Algeria	3588	5.58	1.65	0	10
Egypt	1628	4.88	2.14	0	10
Jordan	691	6.23	1.81	0	10
Iraq	2432	5.07	1.72	0	10
Lebanon	3382	5.29	2.29	0	10
Morocco	3144	4.97	1.67	0	10
Palestine	2942	4.83	2.14	0	10
Syria	2169	4.86	2.12	0	10
Tunisia	2048	5.17	1.69	0	10
Yemen	3184	4.66	2.21	0	10

Source: Gallup World Poll (2013).

Our main variables of interest relate to the domain-specific characteristics thought to have a most profound influence on life satisfaction in the wake of the Arab Spring as discussed in section 2. The Gallup World Poll does not have a question on the degree to which people are satisfied with the political system in the MENA countries. Since in autocracies people's ability to make choices is restricted, we instead turn to the question: "*Are you satisfied or dissatisfied with your freedom to choose what you do with your life?*" We recognize, however, that this question also reflects how satisfied people are with their freedom to make individual choices about education, marriage, children,

and employment. The answer to this question is zero for those who are satisfied and one for those who are dissatisfied with their freedom to make choices.<sup>12</sup>

We control for objective measures of standards of living by including individual income (given in international dollars). We also include subjective evaluations of living standards based on the answers to the following question: “*Are you satisfied or dissatisfied with your standard of living, all the things you can buy and do?*” The answers to this question reflect how people value both monetary and non-monetary factors. The latter pertain to the quality of living conditions, including those related to the environment, local institutions, political and economic stability, infrastructure, health, and education services, and community safety and cohesion. Other non-monetary factors are related to the quality of jobs, the variety of choices available to people living in a given area, and the cultural context. Finally, the answers to this question factor in people’s expectations about the future, which may change over time, and people’s own views on what their standard of living should be given the amount of effort they spend at work. The possible answers to this question are zero if satisfied and one if dissatisfied.

To examine the effect of unemployment, underemployment and job market conditions we include both subjective and objective variables related to employment and the education system. With regard to employment status, we distinguish between individuals who are paid employees (reference category), self-employed, underemployed, unemployed, or out of the workforce. The underemployed are respondents who are employed part-time, but who would like to work full-time, while the unemployed respondents are not employed at all and are looking for job opportunities. Respondents who were out of the workforce included homemakers, students, and retirees. Additionally, we control for whether people are employed in governmental positions or not (reference category is “Other”).

In order to reflect on job market conditions and the availability of high quality jobs, respondents were asked: “*Are you satisfied or dissatisfied with efforts to increase the number of quality jobs?*” to which they could either reply with a zero if satisfied or one if dissatisfied. The question: “*In the city or area where you live are you satisfied or dissatisfied with the education system or the schools?*” allows us to capture the effect on life satisfaction of service provision, in particular education services which determine employment opportunities later in life. The answer to this question can be zero if satisfied or one if dissatisfied.

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<sup>12</sup> People answering ‘don’t know’ or refused to answer this and other questions were omitted from our sample.

In order to explore the effect of corruption, cronyism, and ‘wasta’ on life satisfaction we focus on government corruption as a proxy for perceptions of corruption. The answer to the question: “*Is corruption widespread within government?*” could be zero, if the level of corruption within government is limited, or one, if government corruption is widespread. When information regarding corruption in government was not available, the question “*Is corruption widespread within business?*” was used (cf. Helliwell et al., 2015). In addition, we reflect the extent to which cronyism and inequities affect people’s life satisfaction by incorporating people’s opinions on whether working hard pays off. The answers to the question: “*Can people in this country get ahead by working hard or not?*” are zero if satisfied and one if dissatisfied.

Finally, we control for personal characteristics (demographics characteristics) that may confound the relationship between the designated factors and life satisfaction in developing MENA. These personal characteristics are related to gender, age, marital status and household composition, education level, migration status and religion. An overview of all variables included in the analysis (including descriptive statistics) and a correlation matrix are provided in Appendix B1, B2, and B3, respectively.

#### **4. Empirical Results**

This section discusses the results from the baseline and alternative specifications, the results’ sensitivity to changes in variable specifications and data aggregations, as well as endogeneity bias issues.

##### ***Baseline and Alternative Specification OLS Results***

Table 2 reports results from different specifications using the Cantril Ladder as dependent variable. In the first specification, we have only control variables for personal characteristics. In specification 2-6, we separately include each of the subjective domain satisfaction variables associated with dissatisfaction in developing MENA, along with related objective factors. In specification 7, all subjective and objective variables are included simultaneously. The final specification in Table 2 (Model 8) is the replication of Model 7 using a reduced sample of countries that experienced Arab Spring related uprisings. Please note that all specifications include country and time dummies. The country dummies capture time-invariant, country-specific factors, such as the size of the country, culture, language, distance to markets, and structural features of the political and economic environment. The time dummies control for



exogenous factors that changed over the period of interest, controlling herewith for contagion effects in the aftermath of the global financial crisis.

In line with the empirical literature in happiness studies education and marriage are positively associated with life satisfaction in developing MENA. Against the prevailing perception in the West, Arab women are on average happier than men. Focusing on the main sources of discontent in the wake of the Arab Spring (Models 2-7), the main findings can be summarized as follows. First, although dissatisfaction with freedom to choose what you do with your life has a negative and significant effect on life satisfaction (Table 2, Model 2), this effect disappears after controlling for other perceptions (Table 2, Model 7). This finding supports the view that the social contract has weakened the direct link between authoritarianism (e.g. lack of freedom) and life satisfaction. So, it is the effect of the authoritarian political system on economic wellbeing and other domains of life rather than freedom per se that initiated unrest in developing MENA countries. It is therefore not surprising that dissatisfaction with standards of living has the largest and strongly significant negative effect on life satisfaction (Table 2, Model 3 and Model 7). Dissatisfied respondents have, on average, a 1.24 points lower life satisfaction score than respondents who are satisfied with their living standards in the fully specified model in Table 2, Model 7.

Second, bad job market conditions are significantly and negatively related to dissatisfaction in developing MENA countries – a result which retains significance even when we include all other subjective variables (Table 2, Models 4 and 7). The unemployed and underemployed report life satisfaction scores that are respectively 0.34 and 0.11 points lower than people in paid employment. Lack of quality jobs is another reason for the discontent which remains a significant factor even after we control for employment status. On average, respondents who indicate dissatisfaction with the availability of high quality jobs report a 0.15 points lower life satisfaction than those who are satisfied with job quality (Table 2, Model 7). Not surprisingly, people working for the government (considered to be the best kind of jobs in MENA) are, on average, significantly happier than people working in the private sector.

Third, we find that the dissatisfaction with the education system is associated with life dissatisfaction in developing MENA. Respondents who are dissatisfied with the educational system report a 0.17 points lower satisfaction with life than those who are satisfied with the education system (Table 2, Models 4 and 7).

Fourth, perceptions of inequality of opportunities ( or ‘wasta’), corruption and crony capitalism are significantly and negatively associated with life satisfaction in developing MENA (Table 2, Model 5-7). Respondents who think that people cannot get ahead by working hard report, on average, a 0.22 point lower life satisfaction score than those who are satisfied with this dimension of life satisfaction. Respondents who believe that corruption is widespread in the government are on average 0.27 points less satisfied with life, although this effect is reduced controlling for other perceptions (Table 2 , Model 5 and 7). Thus, in MENA, the governance problem is perceived to affect life satisfaction not so much through corruption in government but through practices that affect all aspects of life and prevent people (and those working in the private sector, more generally) from succeeding even when they make great effort to excel and do a good job. This result is consistent with the findings in Rijkers et al. (2014) and World Bank (2014b).

Our OLS results largely hold when controlling for interview dates, mood, health (Appendix C1), examining heterogeneity with the MENA region (Appendix C2), and using alternative variable specifications (Appendix C3). Only when we add the mood to our OLS baseline regression (Model 7), the coefficients for dissatisfaction with availability of high quality jobs and dissatisfaction with the educational systems are reduced and become statistically insignificant. Finally, Model 8 replicates Model 7 with a reduced sample of Arab Spring countries in which all coefficients behave similarly. Therefore, the conclusions based on the full specification for the whole sample of developing MENA countries (Table 2, Model 7) hold for the reduced sample of Arab Spring countries (Table 2, Model 8).

**Table 2: Determinants of Life Satisfaction in MENA – OLS estimates**

VARIABLES	(1) Model 1 DEV MENA	(2) Model 2 DEV MENA	(3) Model 3 DEV MENA	(4) Model 4 DEV MENA	(5) Model 5 DEV MENA	(6) Model 6 DEV MENA	(7) Model 7 DEV MENA	(8) Model 8 Arab Spring
Dissatisfied with freedom to choose life: Yes		-0.351*** (0.030)					-0.033 (0.031)	-0.019 (0.053)
Dissatisfied with standard of living: Yes			-1.333*** (0.029)				-1.238*** (0.030)	-1.213*** (0.053)
Income (1000)			0.023*** (0.002)	0.029*** (0.002)			0.023*** (0.002)	0.025*** (0.003)
Dissatisfied with efforts to increase high quality jobs: Yes				-0.361*** (0.031)			-0.154*** (0.032)	-0.139*** (0.053)
Dissatisfied with the educational system or the schools: Yes				-0.340*** (0.030)			-0.166*** (0.029)	-0.158*** (0.051)
<i>(Reference group: Full-time Employed)</i>								
Self-employed				0.077 (0.064)			0.041 (0.061)	-0.024 (0.100)
Unemployed				-0.534*** (0.082)			-0.335*** (0.079)	-0.475*** (0.145)
Out of workforce				0.003 (0.049)			-0.019 (0.047)	-0.028 (0.076)
Underemployed				-0.267*** (0.082)			-0.114 (0.080)	-0.242* (0.133)
<i>(Reference group: Other)</i>								
Working for the government				0.245*** (0.055)			0.190*** (0.052)	0.309*** (0.084)
Undetermined				-0.011 (0.051)			-0.019 (0.049)	-0.280*** (0.095)
Corruption widespread within government: Yes					-0.277*** (0.036)		-0.077** (0.035)	-0.056 (0.054)
People cannot get ahead by working hard: Yes						-0.496*** (0.041)	-0.223*** (0.039)	-0.210*** (0.080)
<i>(Reference group: Muslim)</i>								
Not Muslim/Other religion	0.269*** (0.075)	0.237*** (0.075)	0.202*** (0.069)	0.168** (0.074)	0.275*** (0.075)	0.239*** (0.074)	0.171** (0.068)	0.176 (0.152)

<i>(Reference group: Completed elementary education or more)</i>								
Completed 9-15 years of education	0.452*** (0.033)	0.438*** (0.033)	0.295*** (0.031)	0.356*** (0.033)	0.448*** (0.033)	0.447*** (0.033)	0.282*** (0.031)	0.393*** (0.051)
Completed four years of education beyond high school and/or 4-year college degree.	0.917*** (0.053)	0.894*** (0.053)	0.544*** (0.050)	0.672*** (0.054)	0.918*** (0.053)	0.902*** (0.052)	0.538*** (0.051)	0.533*** (0.093)
<i>(Reference group: Not a migrant)</i>								
Migrant	-0.145 (0.102)	-0.147 (0.102)	-0.264*** (0.097)	-0.208** (0.101)	-0.142 (0.102)	-0.156 (0.101)	-0.257*** (0.096)	-0.729*** (0.182)
Female	0.221*** (0.029)	0.224*** (0.029)	0.156*** (0.027)	0.203*** (0.031)	0.216*** (0.029)	0.209*** (0.029)	0.138*** (0.029)	0.236*** (0.052)
Age	-0.040*** (0.006)	-0.038*** (0.006)	-0.029*** (0.006)	-0.038*** (0.006)	-0.039*** (0.006)	-0.039*** (0.006)	-0.028*** (0.006)	-0.022** (0.009)
Age ^2	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000** (0.000)
<i>(Reference group: Married with children)</i>								
Married without children	0.092* (0.047)	0.091* (0.047)	0.037 (0.044)	0.081* (0.046)	0.098** (0.047)	0.088* (0.047)	0.044 (0.043)	0.015 (0.073)
Single with children	-0.140*** (0.050)	-0.122** (0.050)	-0.101** (0.047)	-0.088* (0.049)	-0.136*** (0.050)	-0.145*** (0.050)	-0.075 (0.047)	0.053 (0.079)
Single without children	-0.086* (0.050)	-0.081 (0.050)	-0.102** (0.047)	-0.067 (0.049)	-0.079 (0.050)	-0.088* (0.050)	-0.077 (0.047)	-0.013 (0.080)
Separated/Divorced/Widow with children	-0.125 (0.083)	-0.098 (0.082)	-0.028 (0.077)	-0.085 (0.081)	-0.124 (0.083)	-0.108 (0.082)	-0.003 (0.076)	0.120 (0.119)
Separated/Divorced/Widow without children	-0.404*** (0.099)	-0.406*** (0.099)	-0.265*** (0.091)	-0.337*** (0.095)	-0.390*** (0.099)	-0.398*** (0.098)	-0.251*** (0.090)	-0.321** (0.148)
<i>(Reference group: 1 person older than 15 in hh)</i>								
2 people older than 15 in hh	0.018 (0.086)	0.007 (0.086)	0.005 (0.084)	0.008 (0.084)	0.022 (0.086)	0.021 (0.086)	0.010 (0.084)	-0.024 (0.112)
More than 2 people older than 15 in hh	0.030 (0.081)	0.008 (0.082)	-0.033 (0.080)	-0.031 (0.080)	0.030 (0.081)	0.030 (0.081)	-0.030 (0.079)	0.003 (0.107)
Country fixed effects	YES	YES	YES	YES	YES	YES	YES	YES
Month and Year of Interview	YES	YES	YES	YES	YES	YES	YES	YES
Constant	5.560*** (0.172)	5.686*** (0.173)	5.708*** (0.163)	5.747*** (0.178)	5.768*** (0.173)	5.628*** (0.172)	5.824*** (0.173)	5.588*** (0.260)
Observations	25,244	25,244	25,244	25,244	25,244	25,244	25,244	9,065
R-squared	0.071	0.078	0.197	0.121	0.074	0.079	0.206	0.192

Note: Robust standard errors in parentheses; \*\*\*p<0.01; \*\*p<0.05; \*p<0.10; A. Developing MENA includes Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Palestine, Syria, Tunisia, and Yemen.

B. Employment status includes an additional category (2009) which captures individuals other than employed.

### *Dealing with Reverse Causality: Lewbel IV Estimator*

Our analysis possibly suffers from endogeneity bias. Reverse causality may be a particular problem since life evaluation and domain satisfaction are often jointly determined. Although the usage of conventional IV methods would be preferred in a cross-section setting, finding credible instruments is hard, thus we made use of the Lewbel IV estimator to account for reverse causality. Conventional IVs have to satisfy the following restrictions: the instrument has to be correlated with the independent variables and has to be uncorrelated with the dependent variable and the error term. In our case, a valid instrument should be correlated with the independent variables in our regression, the life domain perceptions, but not with life satisfaction. Given the general unavailability of good instruments with this property, we resort to the implementation of an instrumental variable estimation using the heteroskedasticity-based instruments for cross-sectional data, suggested by Lewbel (2012). The Lewbel IV estimator uses internally generated instruments comparable to difference GMM and system GMM in a panel data setting to isolate the effect of the perceptions on life satisfaction. According to Lewbel (2012), in the absence of conventional IVs, a vector of exogenous variables  $Z$  equal to  $X$  or subset of  $X$  can be used to generate external instruments  $[Z - E(Z)]\varepsilon$ , given that there is some heteroskedasticity in the standard errors  $\varepsilon$ , and

$$\mathbf{E}(X\varepsilon)=0, \text{ and } \text{cov}(Z,\varepsilon)\neq 0. \quad (2)$$

The validity of these assumptions for our data can be questioned so we first examine whether the Lewbel requirements are met for regression model (1). First, we test for the presence of heteroskedasticity. Following Lewbel (2012), we performed a Breusch and Pagan Lagrange Multiplier test to test for heteroskedasticity. Results show that the test statistic is significantly different from zero in all cases, indicating that there is enough variance in our data to avoid weak instruments. Second, before estimating the second stage of regressions using the generated instruments, we carefully consider the choice of  $Z$ . As indicated by Lewbel (2012), the vector of exogenous variables  $Z$  can be a set or subset of  $X$  and therefore the obtained estimates could be largely dependent on this specific choice of  $X$ s. Although in general the choice of  $Z$  can be random, subject to conditions (2) above, we opted to follow a different strategy to select our instruments. Our strategy to choose  $Z$  is developed based on the correlation matrix of the generated instruments. The subset of  $X$  had to satisfy two basic conditions: (i) it had to be uncorrelated with the dependent variable  $Y$  and (ii) it had to be statistically correlated with  $X$  at the first place. The generated instruments that did not meet these conditions were excluded from

the second stage regression. After testing whether the conditions were satisfied, we chose a set of instruments and we estimated the model using generalised method of moments (GMM).

**Table 3: Determinants of Life Satisfaction in MENA – Lewbel estimates**

VARIABLES	(10) Model 10 DEV MENA	(11) Model 11 DEV MENA	(12) Model 12 DEV MENA	(13) Model 13 DEV MENA	(14) Model 14 DEV MENA	(15) Model 15 DEV MENA	(16) Model 1 Arab Spring
Dissatisfaction with freedom to choose life	-0.243 (0.340)					-0.011 (0.789)	0.069 (0.923)
Dissatisfied with standard of living: Yes		-1.299*** (0.100)				-1.181*** (0.126)	-1.288*** (0.186)
Income (1000)		0.024*** (0.002)	0.030*** (0.002)			0.023*** (0.002)	0.026*** (0.003)
Dissatisfied with efforts to increase high quality jobs: Yes			-0.353*** (0.092)			-0.085 (0.262)	-0.218 (0.333)
Dissatisfied with the educational system or the schools: Yes			-0.118 (0.245)			-0.076 (0.245)	0.515 (0.524)
<i>(Reference group: Full-time Employed)</i>							
Self-employed			0.079 (0.064)			0.050 (0.061)	-0.037 (0.105)
Unemployed			-0.539*** (0.083)			-0.353*** (0.086)	-0.504*** (0.163)
Out of workforce			0.012 (0.049)			-0.021 (0.050)	-0.038 (0.078)
Underemployed			-0.287*** (0.084)			-0.126 (0.082)	-0.251* (0.135)
<i>(Reference group: Other)</i>							
Working for the government			0.233*** (0.055)			0.187*** (0.054)	0.487*** (0.134)
Corruption widespread within government: Yes				-0.367*** (0.128)		-0.188 (0.181)	-0.216 (0.247)
People cannot get ahead by working hard: Yes					-0.589*** (0.134)	-0.324** (0.154)	-0.512* (0.269)
<i>(Reference group: Muslim)</i>							
Not Muslim/Other religion	0.245*** (0.081)	0.180*** (0.069)	0.165** (0.076)	0.277*** (0.075)	0.233*** (0.074)	0.175* (0.094)	0.238 (0.169)
Completed 9-15 years of education	0.443***	0.305***	0.360***	0.447***	0.445***	0.280***	0.368***

	(0.035)	(0.032)	(0.033)	(0.033)	(0.033)	(0.037)	(0.062)
Completed four years of education beyond high school and/or 4-year college degree. (Reference group: Not a migrant)	0.901*** (0.057)	0.569*** (0.050)	0.679*** (0.054)	0.918*** (0.053)	0.899*** (0.053)	0.539*** (0.068)	0.486*** (0.136)
Migrant	-0.141 (0.102)	-0.200** (0.098)	-0.184* (0.102)	-0.142 (0.102)	-0.155 (0.101)	-0.272*** (0.096)	-0.718*** (0.188)
Female	0.223*** (0.029)	0.157*** (0.027)	0.203*** (0.031)	0.215*** (0.029)	0.206*** (0.029)	0.140*** (0.038)	0.226*** (0.072)
Age	-0.039*** (0.006)	-0.029*** (0.006)	-0.038*** (0.006)	-0.039*** (0.006)	-0.038*** (0.006)	-0.029*** (0.006)	-0.022** (0.009)
Age ^2	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000** (0.000)
<i>(Reference group: Married with children)</i>							
Married without children	0.091* (0.047)	0.038 (0.044)	0.083* (0.046)	0.100** (0.047)	0.087* (0.047)	0.047 (0.044)	0.036 (0.076)
Single with children	-0.125** (0.053)	-0.096** (0.047)	-0.090* (0.049)	-0.134*** (0.050)	-0.147*** (0.050)	-0.081 (0.057)	0.066 (0.096)
Single without children	-0.081 (0.050)	-0.095** (0.047)	-0.067 (0.049)	-0.076 (0.050)	-0.089* (0.050)	-0.072 (0.047)	-0.015 (0.082)
Separated/Divorced/Widow with children	-0.106 (0.086)	-0.032 (0.076)	-0.100 (0.082)	-0.123 (0.083)	-0.105 (0.082)	-0.011 (0.089)	0.111 (0.124)
Separated/Divorced/Widow without children	-0.403*** (0.099)	-0.273*** (0.091)	-0.343*** (0.095)	-0.385*** (0.099)	-0.399*** (0.098)	-0.252*** (0.093)	-0.290* (0.153)
<i>(Reference group: 1 person older than 15 in hh)</i>							
2 people older than 15 in hh	0.010 (0.087)	0.017 (0.084)	0.007 (0.085)	0.023 (0.086)	0.024 (0.086)	0.010 (0.089)	-0.037 (0.125)
More than 2 people older than 15 in hh	0.015 (0.085)	-0.022 (0.080)	-0.032 (0.081)	0.030 (0.081)	0.030 (0.081)	-0.032 (0.093)	-0.018 (0.135)
Constant	5.159*** (0.213)	5.452*** (0.159)	5.471*** (0.182)	5.364*** (0.196)	5.116*** (0.168)	5.570*** (0.198)	5.446*** (0.254)
Observations	25,244	25,244	25,244	25,244	25,244	25,244	9,065
R-squared	0.077	0.193	0.117	0.074	0.079	0.204	0.076
<b>Statistics</b>							
Underidentification test: P-value	83.04 (0.000)	1105.78 (0.000)	194.93 (0.000)	503.81 (0.000)	454.68 (0.000)	29.508 (0.013)	23.872 (0.475)
Cragg-Donald Wald F statistic	42.14	563.35	31.23	729.53	425.07	1.826	1.533
Stock-Yogo VC 10%	10.27	10.27	10.89	19.53	10.83	NA	NA
Hansen statistic	4.25 (0.234)	4.63 (0.200)	5.13 (0.953)	0.133 (0.715)	0.924 (0.921)	8.327 (0.871)	7.516 (0.873)



Table 3 provides a replication of Table 2 using the Lewbel IV estimator. A number of results stand out. First, dissatisfaction with freedom to choose life is neither significant in Model 10 nor in the full specification in Model 15, showing that freedom does not explain variation in life satisfaction in developing MENA in the wake of the Arab Spring. Second, in line with the OLS results dissatisfaction with standards of living, income, and job status remain robust in sign and highly significant predictors across all specifications (Models 11, 12, 15 and 16). Third, perceived bad job conditions reflected in the dissatisfaction with the efforts of the government to increase high quality jobs and the educational system do not have a significant effect on life satisfaction (Models 15 and 16). It is highly likely that these domains are jointly determined or are partly reflected by satisfaction with standards of living. Fourth, the effect of cronyism and ‘wasta’ on satisfaction with life remains significant, but the effect of widespread corruption is no longer significant (Models 15 and 16). This result supports our initial finding that people are affected not so much by government corruption but by cronyism and ‘wasta’ which make it difficult for people to succeed even when working hard.

### ***Drivers of Life Satisfaction Changes on the Eve of Arab Spring***

Perceptions about living standards, job market conditions, and wasta have had an important effect on life satisfaction in MENA region. This sections explores the degree to which each of these factors has contributed to the change in life satisfaction in the period 2009-10. For the purpose, we decompose the change in life satisfaction into the sum of all effects attributed to changes in the incidence of dissatisfaction with each of the domains included in model (1) and another sum of effects, reflecting the change in the importance of each of these domains for people’s life satisfaction between 2009 and 2010.

$$dLS = \sum \widehat{a_2} (x_2 - x_1) + \sum x_1 (\widehat{a_2} - \widehat{a_1}) \quad (3)$$

The first sum is the first-order or the direct effect. It reflects the contribution attributed to the changes in the percentage of people dissatisfied with domains X in period 2 relative to period 1. If  $x_2 > x_1$ , a higher share of the population has become dissatisfied with certain aspects of individual or social life. The second order effect shows the part of the negative association attributed to the changes in the effect size of the obtained coefficients implying a change in the relative importance of that factor to live evaluation (LS). In other words, the indirect effect shows

evidence that perceptions have changed making individuals less tolerant to certain social conditions, for instance, 'wasta' and cronyism.

Table 4 shows the decomposition of LS change into contributions of both direct and indirect effects of domain satisfactions between 2009-2010. A more detailed table of this decomposition of effects can be found in Appendix D1. In Appendix D2 we also provide the results estimated using Ordinary Least Square.

**Table 4: Decomposition of life satisfaction change between 2009 and 2010 (based on Lewbel estimates of model (1))**

	Developing MENA First Order Effect	Developing MENA Second Order Effect	Arab Spring Countries First Order Effect	Arab Spring Countries Second Order Effect
Dissatisfaction with standards of living	-0.031	0.037	-0.084	0.005
People cannot get ahead by working hard (Yes)	0.005	0.038	NS	NS
Dissatisfaction with efforts of the government to increase high quality jobs	-0.012	0.021	-0.030	-0.060
Dissatisfaction with freedom to choose life	-0.014	-0.074	NS	NS
Corruption widespread within government/business (Yes)	-0.008	-0.088	NS	NS
Unemployed	0.000	0.025	-0.012	0.004
Working for the government	NS	NS	0.020	0.043
Income(1000)	-0.015	0.010	-0.025	-0.077

A Developing MENA includes Algeria, Egypt, Iraq, Jordan (only available for 2009), Lebanon, Morocco, Palestine, Syria, Tunisia, and Yemen.

B Arab Spring Countries include Egypt, Libya, Syria and Yemen.

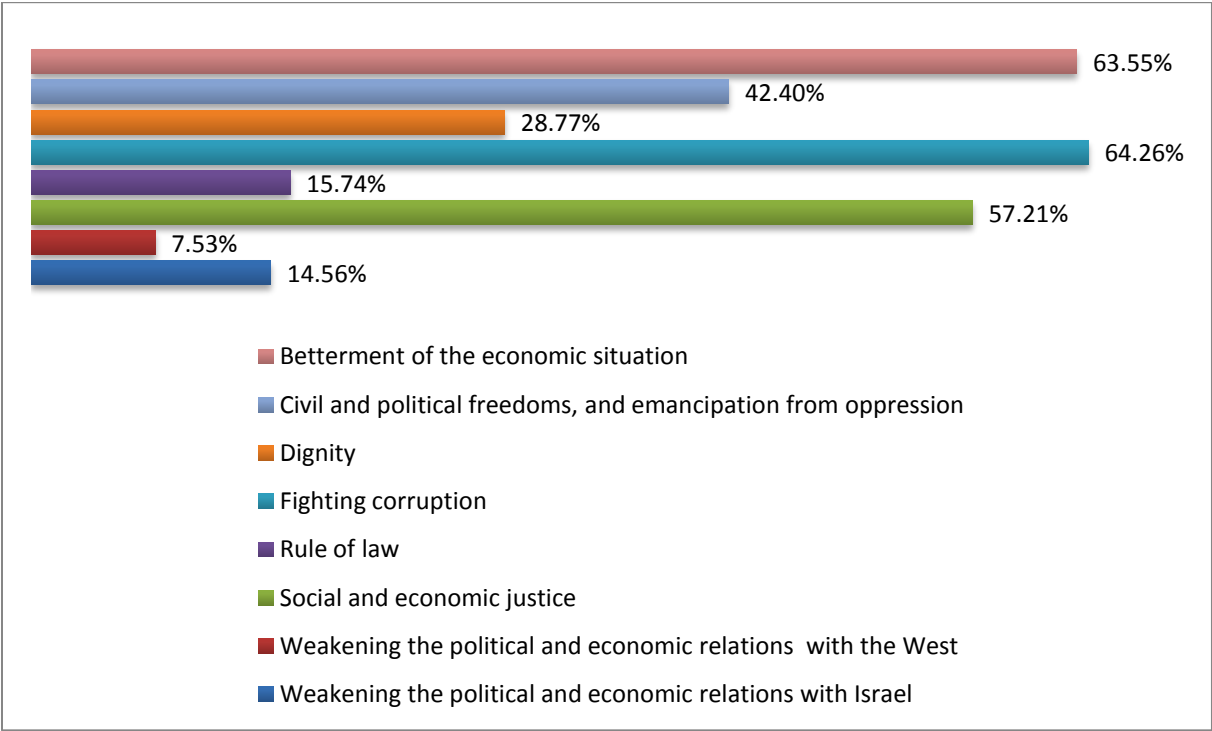
C We only present the coefficients that were significant at least for one out of two years. The coefficients that were not significant are marked as NS. The full Table with results can be found in Appendix.

In developing MENA, the biggest negative contribution to dissatisfaction with life given by the first order effects is attributed to the increased share of individuals dissatisfied with their standards of living (-0.031) and decrease in reported income (-0.015). Similar findings can be observed for Arab Spring countries; in this case, the coefficients are -0.084 and -0.025, respectively. The size of the effects of corruption and limited freedom on life satisfaction rose in the second period, although the coefficients were found to be insignificant in those specifications. In Arab Spring countries, the biggest negative second-order effect on life satisfaction comes from dissatisfaction with the efforts of the government to increase high quality jobs (-0.060).

**5. Discussion and Concluding Remarks**

How is the declining dissatisfaction prior to the Arab Spring linked to the protests? Unfortunately, Gallup World Poll does not have information on the reasons for the Arab Spring protests so we turn to information from the third wave of the Arab Barometer. In it respondents in developing MENA countries (Algeria, Egypt, Iraq, Lebanon, Morocco, Palestine, Syria, Tunisia, and Yemen) were asked to mention the main three reasons that led to the Arab Spring. It appears that the main reasons behind the outburst of social rage during the Arab Spring uprisings are domain satisfactions shaping the level of subjective wellbeing in developing MENA prior to the Arab Spring (Figure 4).

**Figure 4: Reasons for the Arab Spring to occur according to developing MENA population**



Source: Arab Barometer (2012-2014).

Fighting corruption was mentioned as the most important reason for the Arab Spring by 64.3% of respondents, followed by betterment of the economic situation (63.4%) and social and economic justice (57.2%). These findings are in line with another poll held by Zogby in 2005, in which respondents in developing MENA countries indicated that the lack of employment opportunities, corruption, healthcare and schooling were seen as the most pertinent problems in

developing MENA countries (Zogby, 2005). Strikingly, civil and political freedom (42.4%) only comes in a fourth place and is, hence, neither found associated with dissatisfaction in developing MENA nor regarded as one of the most important factors related to the uprisings. Likewise, relations with the West (7.5%) and Israel (14.6%) as well as rule of law (15.7%) and dignity (28.8%) were less often mentioned as important reasons for the Arab Spring and also not found to be an important determinant of dissatisfaction with life in developing MENA. Hence, standards of living, labor market conditions, and 'wasta' are not only strongly related to dissatisfaction with life prior to the Arab Spring, but also mentioned as the main reasons for the Arab Spring uprisings.

In sum, it can be concluded the Arab Spring uprisings in developing MENA countries were preceded by a decline in life satisfaction from already low happiness levels, despite economic and human development progress in the prior two decades. In many developing MENA countries, the so called "unhappy development" paradox, was accompanied by social discontent driven by bad or worsening standards of living, labor market conditions, and crony capitalism. In this light, our study also highlights that not only objective conditions count, but also the subjective awareness of shortcomings in these objective conditions. The rising awareness of social ills is partly due to the modernization process in which society is less seen as a moral order given by God and in which an increasing number of educated people call for meritocracy rather than aristocracy.

Dissatisfaction alone does not bring political action, which typically arises only in combination with perceived chances for change (Klandermans, 1997). This paper does not explore the question why some developing MENA countries experienced political violence and fall of regimes, whereas in other developing MENA countries the protests remained rather limited. This question should be addressed in future research.

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## Appendices

### Appendix A: Average Life Satisfaction (ALS) across Countries (2006-2012)

Rank	Country	ALS	Rank	Country	ALS	Rank	Country	ALS
1	Denmark	7.80	54	Poland	5.79	107	China	4.84
2	Switzerland	7.59	55	Sint Maarten	5.79	108	Djibouti	4.84
3	Norway	7.58	56	El Salvador	5.78	109	Zambia	4.81
4	Netherlands	7.51	57	Bolivia	5.71	110	India	4.79
5	Finland	7.50	58	Croatia	5.65	111	Bangladesh	4.78
6	Canada	7.47	59	Kazakhstan	5.64	112	Iraq	4.78
7	Sweden	7.41	60	Lithuania	5.59	113	Mozambique	4.76
8	Iceland	7.36	61	Jordan	5.57	114	Mongolia	4.72
9	Australia	7.32	62	Belarus	5.55	115	Serbia	4.72
10	New Zealand	7.31	63	Ecuador	5.55	116	Angola	4.68
11	Austria	7.30	64	Paraguay	5.50	117	Azerbaijan	4.64
12	Costa Rica	7.25	65	Mauritius	5.48	118	Mauritania	4.58
13	Israel	7.22	66	Moldova	5.47	119	Palestine	4.58
14	United States	7.19	67	Hong Kong	5.45	120	Tajikistan	4.55
15	Ireland	7.18	68	Uzbekistan	5.45	121	Egypt, Arab Rep.	4.53
16	Belgium	7.08	69	Vietnam	5.45	122	Macedonia, FYR	4.53
17	Luxembourg	7.04	70	Bahrain	5.43	123	Armenia	4.42
18	United Arab Emirates	7.04	71	Peru	5.43	124	Botswana	4.42
19	Panama	6.92	72	Algeria	5.42	125	Malawi	4.42
20	Mexico	6.91	73	Cuba	5.42	126	Nepal	4.42
21	United Kingdom	6.89	74	Estonia	5.37	127	Sudan	4.42
22	Venezuela, RB	6.89	75	Libya	5.37	128	Uganda	4.39
23	Oman	6.85	76	Albania	5.36	129	Congo, Dem. Rep.	4.38
24	Brazil	6.80	77	Kosovo	5.36	130	Cameroon	4.36
25	France	6.75	78	Russian Federation	5.35	131	Syrian Arab Republic	4.32
26	Germany	6.64	79	Honduras	5.34	132	Senegal	4.31
27	Spain	6.61	80	Turkey	5.26	133	Yemen, Rep.	4.27
28	Puerto Rico	6.59	81	Portugal	5.25	134	Kenya	4.26
29	Qatar	6.58	82	Indonesia	5.23	135	Sri Lanka	4.25
30	Saudi Arabia	6.58	83	Nicaragua	5.20	136	Côte d'Ivoire	4.20
31	Singapore	6.55	84	Montenegro	5.18	137	Madagascar	4.14
32	Kuwait	6.48	85	Romania	5.15	138	Mali	4.14
33	Cyprus	6.46	86	Pakistan	5.14	139	Niger	4.14
34	Belize	6.45	87	South Africa	5.09	140	Haiti	4.13
35	Argentina	6.35	88	Ukraine	5.08	141	Congo, Rep.	4.12
36	Czech Republic	6.35	89	Dominican Republic	5.05	142	Zimbabwe	4.12
37	Trinidad and Tobago	6.35	90	Nigeria	5.04	143	Gabon	4.11
38	Italy	6.33	91	Lao PDR	5.01	144	Afghanistan	4.09
39	Suriname	6.27	92	Lebanon	4.98	145	Burkina Faso	4.08
40	Colombia	6.26	93	Tunisia	4.98	146	Cambodia	4.07
41	Chile	6.25	94	Iran, Islamic Rep.	4.91	147	Liberia	4.04
42	Guatemala	6.14	95	Hungary	4.90	148	Rwanda	4.03
43	Uruguay	6.07	96	Kyrgyz Republic	4.90	149	Chad	4.00
44	Japan	6.06	97	Lesotho	4.90	150	Guinea	4.00
45	Malta	6.02	98	Ghana	4.89	151	Georgia	3.99
46	Thailand	6.02	99	Myanmar	4.89	152	Bulgaria	3.95
47	Guinea-Bissau	5.99	100	Namibia	4.89	153	Central African Rep	3.87
48	Slovak Republic	5.98	101	Philippines	4.89	154	Tanzania	3.87
49	Turkmenistan	5.94	102	Somalia	4.89	155	Sierra Leone	3.77
50	Korea, Rep.	5.89	103	Bosnia and Herzegovina	4.87	156	Comoros	3.74
51	Greece	5.83	104	Latvia	4.87	157	Burundi	3.69
52	Malaysia	5.83	105	Morocco	4.87	158	Benin	3.51
53	Jamaica	5.81	106	Swaziland	4.87	159	Togo	2.98

Note: Developing MENA countries are highlighted

## Appendix B1: Description of Variables

<b>Category: Independent perception variables</b>	<b>Variable code</b>	<b>Exact question</b>	<b>Answer categories</b>
Satisfaction with Standard of Living	Wp30	Are you satisfied or dissatisfied with your standard of living, all the things you can buy and do?	1 Yes 2 No
Satisfaction with Standard of Living (Index construction)	Wp40	Have there been times in the past twelve months when you did not have enough money to buy food that you or your family needed?	1 Yes 2 No
Satisfaction with Standard of Living (Index construction)	Wp43	Have there been times in the past twelve months when you did not have enough money to provide adequate shelter or housing for you and your family?	1 Yes 2 No
Satisfaction with Standard of Living (Alternative specification)	Index_fs	Construction of variable wp40 and wp43	Not applicable
Satisfaction with freedom TO CHOOSE LIFE	Wp134	Are you satisfied or dissatisfied with your freedom to choose what you do with your life?	1 Yes 2 No
Satisfaction with civil freedom (Alternative specification)	Wp143	Do you have confidence in the Quality and Integrity of the Media?	1 Yes 2 No
Perceptions about Corruption	Wp145	Is corruption widespread within business?	1 Yes 2 No
Perceptions about Corruption	Wp146	Is corruption widespread within government?	1 Yes 2 No
Perceptions about Corruption	Wp6267	Do you think the level of corruption in this country is lower, about the same or higher than it was 5years ago?	1 Same or lower 2 Higher
Cronyism	Wp128	Can people in this country get ahead by working hard or not?	1 Yes 2 No
Quality of jobs	Wp133	Are you satisfied or dissatisfied with efforts to increase the number of quality jobs?	1 Yes 2 No
Quality of jobs (Alternative specification)	Wp89	Thinking about the job situation in the city or area you live today, would you say that it is now a good time or a bad time to find a job?	1 Good time 2 Bad time
Satisfaction with education	Wp93	In the city or area where you live, are you satisfied or dissatisfied with the education system or the schools?	1 Approve 2 Disapprove
<b>Category: Other Control variables</b>	<b>Personal Information</b>		

Gender	Wp1219		1 Male 2 Female
Age	Wp1220		Until 99
Marital children = Computed from marital status and number of children	Marital_children	Combination to Wp 1223 and Wp 1230	1 Married with children 2 Married without children 3 Single with children 4 Single without children 5 S/D/W with children 6 S/D/W without children
Marital status (Index construction)	Wp1223	What is your current marital status?	1 Single/Never been married 2 Married 3 Separated/ Divorced/ Widowed
Number of children (Index construction)	Wp1230	How many children under 15 years of age are now living in your household?	
Religion	religion		1 Muslim 2 Non-Muslim/Other religion
Migration status	Wp4657	Were you born in this country, or not?	1 Born in this country 2 Born in another country
Level of education	wp3117		1 Completed elementary education or less 2 Secondary - 3 year tertiary secondary 3 Completed four years of education beyond high school and/or received a 4-year college degree
Employment status	emp_2010		1 Employed full time for an employer/ Employed part time do not want full time 2 Employed full time for self 3 Unemployed 4 Out of Workforce 5 Underemployed 6. Other
Government employee	Wp1227	Are you a government worker or not?	1 Other 2 Yes 3 Undetermined
Household composition Adults	Wp12	Including yourself, how many people who are residents of age 15 or over, currently live in this household?	1 One person more than 15 in household 2 2 people more than 15 in the household 3 more than 2 people more than 15 in the household
Household Income per 1,000 USD	inc_001		Expressed in International dollars
Month and year of Interview	m_year		

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## Appendix B2: Descriptive Statistics

<b>Variable</b>	<b>Observations</b>	<b>Mean</b>	<b>SD</b>	<b>Min.</b>	<b>Max.</b>
Life evaluation	25244	5.09	2.00	0	10
Dissatisfied with standard of living: Yes	25244	0.37	.48	0	1
People cannot get ahead by working hard: Yes	25244	0.17	.37	0	1
Dissatisfied with efforts to increase with high quality jobs: Yes	25244	0.66	.47	0	1
Dissatisfied with freedom to choose life: Yes	25244	0.38	.48	0	1
Dissatisfied with the educational system or the schools: Yes	25244	0.37	.48	0	1
Corruption widespread within government*: Yes	25244	0.78	.41	0	1
Self-employed	25244	0.08	0.27	0	1
Unemployed	25244	0.04	0.20	0	1
Out of workforce	25244	0.31	0.46	0	1
Underemployed	25244	0.03	0.18	0	1
Other**	25244	0.25	0.43	0	1
Government worker	25244	0.09	0.29	0	1
Undetermined	25244	0.28	0.45	0	1
Not Muslim	25244	0.07	0.26	0	1
Completed (9-15 years of education Completed four years of education beyond high school and/or 4-year college degree.	25244	0.48	0.49	0	1
Migrant	25244	0.11	0.31	0	1
Income (1000)	25244	0.02	0.15	0	1
Female	25244	10.16	12.20	0	229.99
Age	25244	0.48	0.49	0	1
Age square	25244	35.23	14.54	15	99
Married without children	25244	1453.04	1210.98	15	99
Single with children	25244	0.15	0.35	225	9801
Single without children	25244	0.20	0.40	0	1
Separated/Divorced/Widow with children	25244	0.17	0.37	0	1
Separated/Divorced/Widow without children	25244	0.03	0.17	0	1
2 people older than 15 in household	25244	0.26	0.16	0	1
More than 2 people older than 15 in household	25244	0.23	0.42	0	1
0.73	25244	0.45	0	1	
<b>Alternative Measures</b>					
Index_fs	21376	0.41	0.67	0	2
Bad time to find a job: Yes	23592	0.71	0.46	0	1
Levels of are corruption higher: Yes	10926	0.55	0.65	0	1
Index Positive Affect	12582	64.11	29.09	0	100
Index Negative Affect	4739	33.13	29.96	0	100
Dissatisfaction with Health: Yes	11016	0.16	0.36	0	1

### Appendix B3: Correlation Matrix

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Life Evaluation	1.00													
Dissatisfaction with standard of living: Yes	-0.36	1.00												
People cannot get ahead by working hard: Yes	-0.09	0.16	1.00											
Dissatisfied with efforts to increase with high quality jobs: Yes	-0.13	0.19	0.14	1.00										
Dissatisfied with freedom to choose life: Yes	-0.10	0.16	0.16	0.33	1.00									
Dissatisfied with educational system	-0.13	0.16	0.09	0.17	0.17	1.00								
Corruption widespread within government: Yes	-0.07	0.10	0.07	0.19	0.11	0.13	1.00							
Income(1000)	0.22	-0.16	-0.01	-0.07	-0.08	-0.09	0.00	1.00						
Self- employed	0.00	0.00	0.00	0.01	-0.02	-0.01	0.02	0.08	1.00					
Unemployed	-0.07	0.09	0.04	0.05	0.04	0.03	0.00	-0.05	-0.06	1.00				
Out of workforce	-0.03	0.01	-0.01	0.03	0.04	-0.02	-0.02	-0.07	-0.20	-0.14	1.00			
Underemployed	-0.04	0.07	0.02	0.03	0.02	0.04	0.01	-0.03	-0.06	-0.04	-0.13	1.00		
Government employee	0.04	-0.04	-0.03	-0.03	-0.01	0.02	-0.03	0.01	-0.04	-0.07	-0.22	0.04	1.00	
Undetermined	0.05	-0.02	0.03	-0.04	0.00	-0.01	0.00	-0.04	-0.12	-0.13	-0.42	0.02	-0.20	1.00

## Appendix C1: Robustness Analysis: Omitted Variable Bias

Our analysis possibly suffers from simultaneity and omitted variable biases. It is well known that in survey research happier respondents, or those in better mood during an interview, have also the tendency to report more positively about different aspects of their life. For example, the amount of negative feelings one experiences during the day could possibly predispose people to lower their life satisfaction rating. When evaluating their satisfaction respondents can reason as follows: "I am generally dissatisfied with my life, so apparently I am dissatisfied with my government" or "I feel sad now, so apparently I am dissatisfied with my government" (see also Diener, 1984; Headey et al., 1991).

We use different strategies to cope with these problems in our baseline OLS analysis in Model 7. First, we control for mood during the interview, by including (1) interview date dummies, assuming that turbulent time indicators of satisfaction can be subject to daily developments; (2) affect indices by Gallup related to very recent positive<sup>13</sup> and negative experiences<sup>14</sup> measured on a 0-100 scale; and (3) satisfaction with health measured on a 0-10 scale. This way we are able to capture the daily mood of individuals possibly affecting the responses related to satisfaction.

Table C1 shows the results of these additional robustness checks. The effects of dissatisfaction with standards of living, income, and employment status remain significant and robust to controlling for interview dates, mood, and health satisfaction. Likewise, perceptions of inequality of opportunity, corruption and crony capitalism remain an important source of dissatisfaction in developing MENA, where both the dissatisfaction with not being able to get ahead by working hard and feelings of corruption in government are negative and statistically significant in most specifications.

In general, the inclusion of interview dates (Column 1) or satisfaction with health (Column 4) does not really affect the main conclusions drawn from the results presented in Table 2. However, when we add negative experience index to our baseline regression, the coefficient for unemployed is reduced and becomes statistically insignificant (Column 3). To some extent this also reflects the fact that when we include the experience index the sample size reduces from 25,244 to 6,221 respondents.

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<sup>13</sup> The positive experience index of Gallup is based on the following five questions: (1) "Did you feel well-rested yesterday?" (2) "Were you treated with respect all day yesterday?" (3) "Did you smile or laugh a lot yesterday?" (4) "Did you learn or do something interesting yesterday?" and (5) "Did you experience the following feelings during a lot of the day yesterday? How about enjoyment?"

<sup>14</sup> The negative experience index of Gallup is based on the following five feelings upon which respondents had to reflect based on the question: "Did you experience the following feelings during a lot of the day yesterday?: physical pain, worry, sadness, stress, and anger."

**Table C1: Determinants of Life Satisfaction in Developing MENA in Alternative Models (OLS)**

VARIABLES	(1) +Interview Dates	(2) + Positive Experience Index	(3) + Negative Experience Index	(4) + Satisfaction with Health
Dissatisfied with freedom to choose life: Yes	-0.039 (0.030)	-0.019 (0.036)	-0.022 (0.044)	-0.046 (0.048)
Dissatisfaction with standard of living: Yes	-1.242*** (0.030)	-1.103*** (0.037)	-1.124*** (0.044)	-1.055*** (0.046)
Income (1000)	0.023*** (0.002)	0.020*** (0.002)	0.022*** (0.002)	0.019*** (0.002)
Dissatisfied with efforts to increase high quality jobs: Yes	-0.155*** (0.032)	-0.101*** (0.037)	-0.089* (0.046)	-0.108** (0.050)
Dissatisfied with the educational system or the schools: Yes	-0.169*** (0.029)	-0.115*** (0.035)	-0.099** (0.043)	-0.142*** (0.045)
Corruption widespread within government: Yes	-0.083** (0.035)	-0.104** (0.042)	-0.127** (0.050)	-0.080 (0.056)
People cannot get ahead by working hard: Yes	-0.238*** (0.039)	-0.228*** (0.047)	-0.199*** (0.055)	-0.340*** (0.061)
Positive experience index		0.007*** (0.001)		
Negative experience index			-0.007*** (0.001)	
Dissatisfied with personal health: Yes				-0.369*** (0.060)
Self-employed	0.054 (0.061)	0.113 (0.079)	-0.012 (0.117)	0.141* (0.081)
Unemployed	-0.352*** (0.078)	-0.234** (0.103)	-0.112 (0.137)	-0.291*** (0.105)
Out of workforce	-0.027 (0.047)	-0.005 (0.058)	-0.053 (0.088)	0.017 (0.065)
Underemployed	-0.138* (0.080)	-0.087 (0.097)	-0.141 (0.166)	-0.180* (0.101)
Individual Characteristics	YES	YES	YES	YES
Country fixed effects	YES	YES <sup>A</sup>	YES <sup>B</sup>	YES <sup>A</sup>
Month and Year of Interview	NO	YES	YES	YES
Constant	5.839*** (0.198)	5.420*** (0.207)	6.221*** (0.250)	6.013*** (0.246)
Observations	25,244	18,442	12,582	11,016
R-squared	0.230	0.201	0.198	0.191

Note: Robust standard errors in parentheses\*\*\* p<0.01, \*\* p<0.05, \* p<0.1;

<sup>A</sup> Morocco missing

<sup>B</sup> Morocco and Tunisia missing



## Appendix C2: Robustness Analysis: Heterogeneity within Developing MENA

The developing MENA region encompasses a wide variety of Arab countries. Hence, the correlates of dissatisfaction with life might differ across countries. In our robustness analysis, we distinguish between (1) North Africa, (2) Middle East, (3) Levant (including and excluding Iraq), and (4) Iraq.

**Table C2: Determinants of Life Satisfaction in developing MENA by Sub-regions (OLS)**

VARIABLES	(1) North Africa <sup>A</sup>	(2) Middle East <sup>B</sup>	(3) Levant Area 1 <sup>C</sup>	(4) Levant Area 2 <sup>D</sup>	(5) Iraq
Dissatisfied with freedom to choose life: Yes	0.017 (0.041)	-0.077* (0.043)	-0.115** (0.055)	-0.078* (0.044)	-0.052 (0.079)
Dissatisfaction with standard of living: Yes	-1.211*** (0.042)	-1.246*** (0.040)	-1.295*** (0.052)	-1.204*** (0.043)	-0.657*** (0.081)
Income (1000)	0.023*** (0.002)	0.022*** (0.003)	0.018*** (0.003)	0.021*** (0.003)	0.064*** (0.015)
Dissatisfied with efforts to increase with high quality jobs: Yes	-0.117*** (0.039)	-0.192*** (0.048)	-0.096 (0.061)	-0.190*** (0.050)	-0.334*** (0.098)
Dissatisfied with the educational system or the schools: Yes	-0.218*** (0.039)	-0.144*** (0.041)	-0.148*** (0.054)	-0.181*** (0.043)	-0.285*** (0.080)
Corruption widespread within government: Yes	-0.079* (0.044)	-0.078 (0.052)	0.029 (0.062)	-0.082 (0.052)	-0.472*** (0.114)
People cannot get ahead by working hard: Yes	-0.209*** (0.060)	-0.233*** (0.048)	-0.283*** (0.061)	-0.245*** (0.049)	-0.172** (0.084)
Self-employed	0.380*** (0.085)	-0.143* (0.083)	-0.209* (0.107)	-0.115 (0.087)	0.105 (0.145)
Unemployed	-0.168 (0.106)	-0.437*** (0.111)	-0.576*** (0.156)	-0.368*** (0.114)	-0.220 (0.184)
Out of workforce	-0.011 (0.061)	-0.048 (0.071)	0.017 (0.087)	-0.009 (0.073)	-0.193 (0.154)
Underemployed	-0.098 (0.131)	-0.167 (0.102)	-0.185 (0.148)	-0.158 (0.116)	-0.148 (0.175)
Other	0.170*** (0.065)	0.269*** (0.088)	0.226** (0.103)	0.202** (0.081)	0.114 (0.181)
Individual Characteristics	YES	YES	YES	YES	YES
Country fixed effects	YES	YES	YES	YES	YES
Month and Year of Interview	YES	YES	YES	YES	YES
Constant	6.142*** (0.223)	5.956*** (0.243)	6.226*** (0.297)	5.561*** (0.246)	5.291*** (0.911)
Observations	10,444	14,800	9,184	13,244	2,432
R-squared	0.249	0.188	0.206	0.180	0.174

Robust standard errors in parentheses; \*\*\*p<0.01; \*\*p<0.05; \*p<0.10

<sup>A</sup> North Africa includes Morocco, Algeria, Tunisia, Libya, and Egypt.

<sup>B</sup> Middle East includes Syria, Palestine, Jordan, Lebanon, Yemen, and Iraq.

<sup>C</sup> Levant 1 includes Syria, Palestine, Jordan, and Lebanon.

<sup>D</sup> Levant 2 includes Syria, Palestine, Jordan, Lebanon, Egypt, and Iraq.

Table C2 shows the results of the subsample analyses, where three findings stand out. First, the socio-economic correlates of satisfaction with life are fairly consistent across different groupings

of countries in the developing MENA region. Second, satisfaction with freedom to choose life is not equally important for determining life evaluation. In North Africa (Column 1) and Iraq (Column 5), the effect of freedom has no significant value while the most significant effect of satisfaction with freedom can be found in the Levant Area (Column 3). Third, the association between widespread corruption and life satisfaction is very sensitive to the selection of countries. The effect of widespread corruption is only negative and statistically significant for North Africa and Iraq.

### **Appendix C3: Robustness Analysis - Alternative Variable Specifications**

In addition, we performed several robustness controls to verify the significance of our findings. Table C3 shows 5 alternative specifications. In specification (1), satisfaction with standards of living is measured by the Gallup Food and Shelter Index, which is based on the question whether individuals experienced shortage of money to provide food and shelter for their family. In specification (2), dissatisfaction with efforts to increase high quality jobs is replaced by job expectations measured based on answers to the question: *“Thinking about the job situation in the city or area you live today, would you say that it is now a good time or a bad time to find a job?”* In specification (3), autocracy and lack of democracy are captured by a variable related to freedom and integrity of the media based on the question: *“Do you have confidence in the quality and integrity of the media?”* Corruption was alternatively measured in specification (4) by perceptions about changes in the levels of corruption over the past years (*“Do you think the level of corruption in this country is lower, about the same or higher than it was 5 years ago?”*).

Table C3 shows the results for the regressions using the alternative variable definitions. The results are not directly comparable with the results in Table 2 since the alternative variables are not available for some countries and/or waves. Still, the results in Table C3 show that our conclusions regarding dissatisfaction with standards of living and job opportunities as important drivers of life dissatisfaction in developing MENA generally hold, while freedom is again found not to be important for explaining life dissatisfaction in developing MENA. Although perceptions of increased corruption seem to be associated with life satisfaction in developing MENA, its effect is smaller compared to the rest of the alternative measures reported in this Table C3. The effect of feelings of not being able to get ahead by working hard and dissatisfaction with the education system, remains statistically significant across all specifications.

**Table C3: Determinants of Life Satisfaction in developing MENA – Alternative Variable Specifications (OLS)**

VARIABLES	(1) Alternative Standards of living	(2) Alternative Job opportunities	(3) Alternative Civil Freedom	(4) Alternative Widespread Corruption
Food and Shelter Index	-0.976*** (0.059)			
Would you say that it is now a good time or a bad time to find a job: Bad time		-0.141*** (0.033)		
Do you have confidence in each of the following? How about Quality and integrity of the media: No			-0.029 (0.042)	
Level of corruption is higher				-0.081***
People cannot get ahead by working hard: Yes	-0.305*** (0.042)	-0.195*** (0.040)	-0.225*** (0.057)	-0.200*** (0.039)
Dissatisfied with the educational system or the schools: Yes	-0.252*** (0.034)	-0.150*** (0.031)	-0.166*** (0.043)	-0.169*** (0.030)
Individual Characteristics	YES	YES	YES	YES
Country fixed effects	YES <sup>B</sup>	YES <sup>C</sup>	YES	YES
Month and year of Interview	YES	YES	YES	YES
Constant	6.470*** (0.200)	5.865*** (0.180)	5.902*** (0.267)	5.676*** (0.177)
<b>Observations</b>	21,376	23,592	10,926	24,012
<b>R-squared</b>	0.162	0.207	0.220	0.210

Robust standard errors in parentheses; \*\*\*p<0.01; \*\*p<0.05; \*p<0.10

<sup>A</sup> Morocco and Syria are missing.

<sup>B</sup> Morocco is missing.

#### Appendix D: Changes in Averages and Decomposition of Effects, Lewbel Estimator

	Change in the Obtained Coefficient (2009-2010) DEV MENA	Change in the Obtained Coefficient (2009-2010) Arab Spring	Change in the Averages (2009-2010) DEV MENA	Change in the Averages (2009-2010) Arab Spring	Developing MENA First Order Effect	Developing MENA Second Order Effect	Arab Spring Countries First Order Effect	Arab Spring Countries Second Order Effect
Dissatisfaction with Standards of living	0.101	0.015	0.028	0.091	-0.031	0.037	-0.084	0.005
People cannot get ahead by working hard (Yes)	0.213	0.120	-0.012	0.004	0.005	0.038	-0.001	0.012
Dissatisfaction with efforts of the government to increase high quality jobs	0.033	-0.098	0.033	0.070	-0.012	0.021	-0.030	-0.060
Dissatisfaction with Freedom to choose life	-0.199	-0.058	0.038	0.052	-0.014	-0.074	-0.015	-0.018
Dissatisfaction with Educational system/schools	1.000	0.910	-0.015	0.076	-0.007	0.382	0.029	0.331
Corruption widespread within government/Business (Yes)	-0.113	-0.387	0.016	0.111	-0.008	-0.088	-0.040	-0.262
Unemployed	0.393	0.179	0.001	0.030	0.000	0.025	-0.012	0.004
Working for the government	0.339	0.481	0.038	0.034	0.013	0.022	0.020	0.043
Income(1000)	0.001	-0.009	-0.600	-1.306	-0.015	0.010	-0.025	-0.077

## Appendix D2: Changes in Averages and Decomposition of Effects, OLS

	Change in the Obtained Coefficient (2009- 2010) DEV MENA	Change in the Obtained Coefficient (2009-2010) Arab Spring	Change in the Averages (2009-2010) DEV MENA	Change in the Averages (2009-2010) Arab Spring	Developing MENAA First Order Effect	Developing MENA Second Order Effect	Arab Spring Countries First Order Effect	Arab Spring Countries(4) Second Order Effect
Dissatisfaction with Standards of living	0,064	0,072	0,028	0,091	-0,033	0,024	-0,106	0,023
People cannot get ahead by working hard (Yes)	-0,033	-0,027	-0,012	0,004	0,003	-0,006	-0,001	-0,003
Dissatisfaction with efforts of the government to increase high quality jobs	-0,010	-0,024	0,033	0,070	-0,005	-0,007	-0,011	-0,015
Dissatisfaction with Freedom to choose life	0,050	0,265	0,038	0,052	-0,001	0,019	0,006	0,083
Dissatisfaction with Educational system/schools	-0,006	0,014	-0,015	0,076	0,002	-0,002	-0,012	0,005
Corruption widespread within government/business (Yes)	0,043	-0,317	0,016	0,111	-0,001	0,033	-0,027	-0,215
Unemployed	0,258	0,339	0,001	0,030	0,000	0,017	-0,009	0,008
Working for the government	0,298	0,542	0,038	0,034	0,013	0,019	0,020	0,049
Income(1000)	0,001	-0,011	-0,600	-1,306	-0,014	0,010	-0,025	-0,094