IN SUPPORT TO CONTROLLED SOCIALISM
FOR WORLD HAPPINESS MAXIMIZATION

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Abstract:

This paper is an attempt to explain how poverty, ecological footprint and literacy influence happiness or the lack of it at a global perspective. Data obtained from various online sources were treated using path analysis. It was found that the predictors can influence happiness in four ways. The findings were a clear indication that globally, people relate happiness with access to goods and services. Political measures that can increase this access may therefore elevate happiness and well-being among people.

Keywords: poverty, ecological footprint, path analysis, controlled socialism

1. Introduction

Happiness is the main, if not the only, "*ultimate objective of life*" (Ng 1996). Understanding happiness is as old as humanity itself. The term "eudemonia" which was theorized by Herodotus and Aristotle describes happiness as the best possible and flourishing life (Veenhoven, 1984), the Christian belief in general defined it as ''*proximity to God*'' (Diener and Suh 1999). Other definition of happiness was commonly defining it as luck, as being determined by a force outside the human being hardly to be influenced (McMahon, 2006). Ultimately, happiness may mean differently to different people. Individuals might have different scales of happiness in mind. A degree of six

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out of ten might mean different things to different people. Moreover, people can perceive objectively different situation as identical or vice versa (Rojas, 2004).

There is growing interest in evaluating the public's perception of happiness to determine factors with significant impact on quality of life. Consequently, happiness research has gained significant attention and credibility in different sectors of many governments acknowledging that happiness and general well-being should be one of the bases in formulating national policies (O'Brien, 2013). There is a need of 'revolution' in academia, where every social scientist should be attempting to understand the determinants of happiness, and it should be happiness which is the explicit aim of government intervention to attain the well-being of a nation (Layard, 2005). Eventually, eradicating the marginalized or the poor.

Poverty causes misery thus one could say that having the purchasing power should be directly proportional with happiness (Jess, 2010). Poverty is exclusively defined as lack and state of ill-being, inferior to wealth regarded as a state of abundance and well-being (Schimmel, 2007). Various studies provide evidence that, on average, persons living in rich countries are happier than those living in poor countries (Diener, Diener and Diener 1995; Inglehart 1990). Essentially all social indicators are more positive in nations of higher income: in richer countries there is more and better quality food, cleaner drinking water, better and more wide-spread education, better health services, greater longevity, more parity between the sexes, and more respect for human rights (Easterly 1999). The increase in poverty incidence is evident when is there is an unequal access to the different goods and services. Thus to make the citizen happy the government should aim to decrease if not eliminate poverty without the cause of other factors. But to what cost? Eliminating poverty could mean adding to the total carbon emission to the atmosphere since there is a need to produce more job and capacitating the citizens to use of energy.

There is a great number of research articles on poverty and happiness. Yet little is known how to maximize happiness without compromising other relevant factors such as the ecological footprint. It is therefore the aim of this paper to investigate how these three identified predictors of happiness: poverty, ecological footprint and literacy contribute to maximize happiness looking into consideration the best possible strategy that an economy should do.

2. Material and Methods

This study would try to establish a framework using path analysis to investigate how poverty, ecological footprint and literacy could influence in maximizing happiness in the context of the economy. Data of 125 countries in terms of Happiness (World Happiness Report 2015), Poverty (Ospina & Roser, 2016), Ecological Footprint (Happy Planet Index, 2016) and Literacy Rate (Roser & Ospina, 2016) were obtained from various online sources. Since these data do not cover the same time period, it is assumed that no substantial changes occurred to these values over a short period of time.

3. Results and Discussion

In order to find out whether or not the selected variables are worth investigating, correlation between pairs has been derived. The matrix below shows the results of this computation:

Table 1: Correlation Matrix of the Identified Variables

Variables		Poverty	Footprint	Literacy	Happiness
Poverty	Correlation Coefficient	1.000			
	p-value	0.000***			
Footprint	Correlation Coefficient	-0.557	1.000		
	p-value	0.000***	0.000***		
Literacy	Correlation Coefficient	-0.549	0.500	1.000	
	p-value	0.000***	0.000***	0.000***	
Happiness	Correlation Coefficient	-0.506	0.680	0.571	1.000
	p-value	0.000***	0.000***	0.000***	0.000***

*** Relationship is significant at $\alpha = 0.01$ probability level

Results show that each variable is significantly related to the rest. Initially, it was assumed that all three identified predictors of happiness have direct effects to the said response variable. This assumption leads to the equation:

Happiness = b_1Poverty + b_2Footprint + b_3Literacy.

After standardizing values, regression coefficients and the corresponding p-values were obtained. These results are depicted in the figure below.
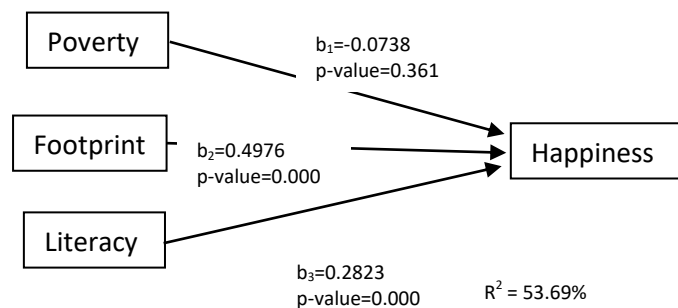

Figure 1: Direct Effects of the Predictors to the Response Variable

The computation revealed that 53.69% of the variability in happiness may be attributed to the variability in the three predictors. However, it was also found that of the three predictors, poverty has no significant direct influence to happiness (p-value > 0.05). Cohen & Vandenbergh (2008) also have found that although generally, income is positively associated with life satisfaction, it was also discovered that while absolute income rose in western economies in the last 50 years or more, happiness has not. Three partial explanations of this phenomenon were formulated, which they said might co-exist. First, money appears to be most vital only at the early stages of development that

is when the basic necessities of life is at top priority; thus, the marginal utility of wealth diminish over time. Second, people are more concerned about how much they have relative to the rest of the society; hence, an increase of income for everyone will have very little effect on average happiness. Lastly, it seems that people adapt to their conditions after some time meaning the effect on happiness after receiving a significant raise soon wears off as lifestyles change (Cohen & Vandenbergh, 2008).

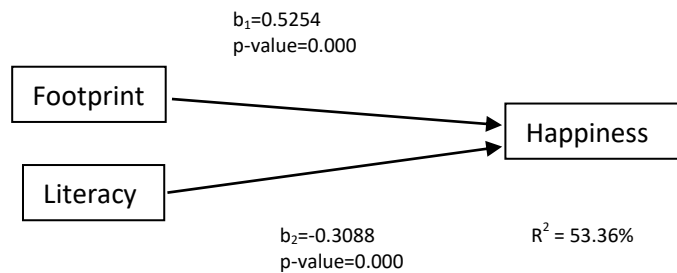Another computation was done where Poverty was omitted. The results are indicated in the following figure.

$b_1=0.5254$
p-value=0.000

$b_2=-0.3088$
p-value=0.000

$R^2 = 53.36\%$

Figure 2: Direct Effects of the Predictors to the Response Variable (revised)

It can be seen from the preceding analysis that both ecological footprint and literacy have positive significant influence to happiness. The variability in these two predictors explains 53.36% of the variability in happiness.

The more resources people consume the happier they become. The Happy Planet Index (HPI) also demonstrated that a nation's increase in happiness may also be accompanied by a high Ecological Footprint (O'Brien, 2013). It was also argued that for as long as environmental responsibility is framed in self-sacrificial terms, people would be reluctant to act since such behavior reduces happiness (Brown and Kasser, 2005).

On the other hand, it is not surprising that the more educated people become, the happier they are. Mahatma Gandhi also asserted that education is a means to obtaining freedom. By being literate, people will learn to read and utilize information on health, environmental preservation (as a moral obligation) and economic activity and be able to do business. Above all these, they will be aware of the changes that are taking place around them and be able to act accordingly (Zangmo, 2004).

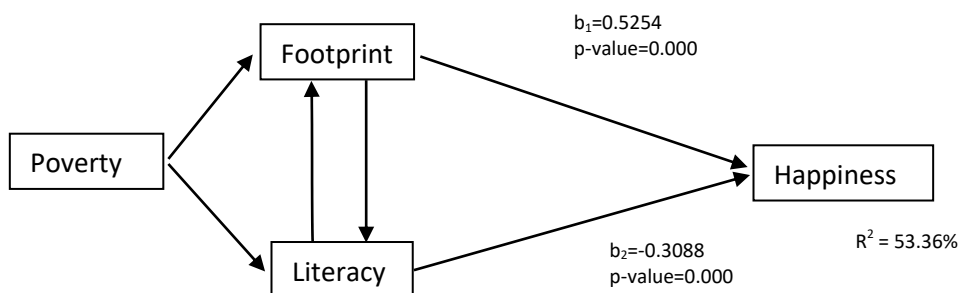These initial findings then lead to the hypothetical structural model shown below.

$b_1=0.5254$
p-value=0.000

$b_2=-0.3088$
p-value=0.000

$R^2 = 53.36\%$

Figure 3: Hypothetical Structural Model

Coefficients for the two remaining structural equations; Footprint = b_3Poverty + b_4Literacy and Literacy = b_5Poverty + b_6Footprint were then computed and the final model below was obtained.
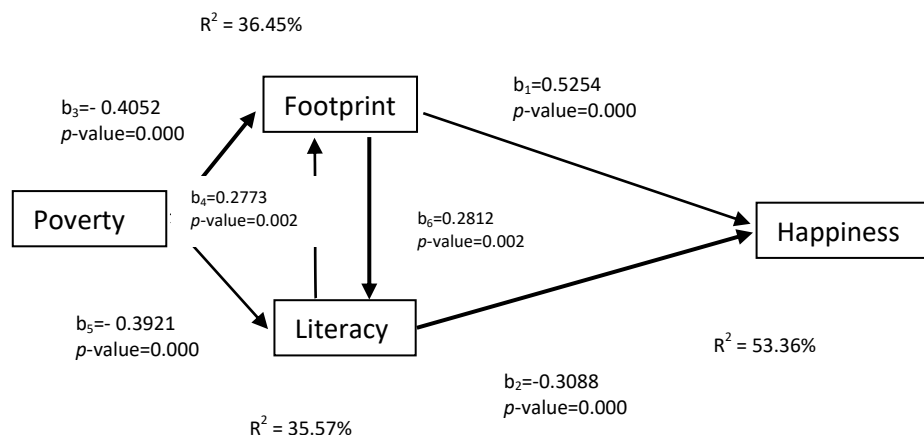

Figure 4: Final Structural Model

Both Poverty and Literacy have significant effect on Ecological Footprint and 36.45% of the variability in the Footprint is explained by the variability of these other two variables. In addition, it is also found that Literacy contributes positively while Poverty appears to be a deterrent to Ecological Footprint. Also, both Poverty and Ecological Footprint significantly influence Literacy where 35.57% of its variability is attributed to the variability in the other two variables.

To sum it all up, the direct, indirect and total effects were then computed and shown in the next table.

Table 2: Direct, Indirect and Total Effects of the Predictors to the Response Variable

Effect	Paths	Coefficient	Total
Direct	Footprint→Happiness	0.5254	
	Literacy→Happiness	0.3088	0.8334
Indirect	Poverty→Footprint→Happiness	-0.4052*0.5254 = -0.2129	
	Poverty→Footprint→Literacy→Happiness	-0.4052*0.2812*0.3088 = -0.0352	
	Poverty→Literacy→Happiness	-0.3921*0.3088 = -0.1211	
	Poverty→Literacy→Footprint→Happiness	-0.3921*0.2773*0.5254 = -0.0571	-0.4263
Total			0.4071

The analysis revealed that in all, an increase of 1 standard deviation in all predictors shall result to 0.4071 standard deviation increase in happiness. However, only ecological footprint and literacy were found to have direct effects to happiness. These effects were both positive implying that the more resources people consume, and the more educated they become; the happier they tend to be.

On the other hand, poverty has a negative effect to happiness. The analysis tells us that this effect can occur in four ways. Poor people have smaller footprint and in turn are less happy. Secondly, poor people can only consume less, become less educated

resulting to being less happy. Third, poor people don't have access to education which makes them less happy. And lastly, poor people become less literate which results to smaller footprints which make them less happy.

It is then proven that poverty causes misery, but not directly. A closer look at the data would reveal that the most detrimental effect of poverty to happiness is through ecological footprint. For emphasis, the figure below highlights this path.
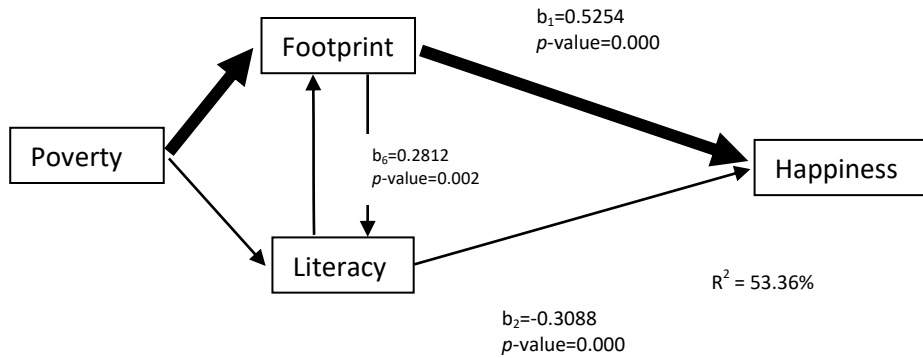

Figure 5: Final Structural Model
(highlighting the most negative effect of poverty to happiness)

This finding shows that decreasing poverty while holding ecological footprint constant will significantly increase happiness. Providing greater access to goods and services instead of adding more of these goods and services may seem to answer the lack of happiness to most people. This contention calls for radical changes in most government systems. It would require some degree of socialism.

Socialism is one of the more recent attempts to restructure societal relationships. In such a system, the social, economic, and political relations are designed to achieve the idealistic goals of engaging each citizen in a non-alienating and meaningful life and of providing adequate levels of material goods to all members of the system (Marx, 1906 as cited by Rakos, 2016). Inequality, hunger, poverty, and exploitation—to these perennial features of the human condition socialism offered a response. It promised labouring people dignity and freedom, women receive equal pay for equal work, and national minorities equal rights in the state (Verdery, 1996).

However, such idealism does not unanimously sell to everybody. To be a socialist of any kind is to be for the common ownership and control of the means of production and to be for the abolition of private ownership and control of capital except perhaps for some very small enterprises (Nielsen, 2015). Such change would definitely cause social unrest especially in countries such as the Philippines where wealth and income inequality is very apparent. Many also seem unwilling to acknowledge that under socialism questions of economic efficiency cannot be ignored and that there may be some extremely difficult choices to be made between short-run social welfare and enhanced economic performance (Nove, 1989). It is due to this resistance that the observance of socialism varies from one country to another (Verdery, 1996).

A "free market" system is not *humane*, though it may be considered as thoroughly *human*. But on the other hand, socialism, while very *humane*, is not really *human* (Rakos,

2016). It would lead us to deduce that a hybrid form of economy is being called for: one which the researchers would refer to as *controlled socialism.* Just as Kibbutzim in Israel and Pancasila in Indonesia, the Philippines may observe its own version of socialism.

Historically, the Kibbutzim in Israel were established as collective, socialist communities. However, since the 1980s, the Kibbutz movement has undergone profound social processes. One of the outcomes of these processes was the privatization of the Kibbutz (Miloe & Doron, 2012). On the other hand, Pancasila is the official philosophical foundation of the Indonesian state. It is guided by five major principles: 1) Belief in one and only one God; 2) Just and civilized humanity; 3) The unity of Indonesia; 4) Democracy guided by the inner wisdom in the unanimity arising out of deliberations amongst representatives; and 5) Social justice to all people of Indonesia. Currently, this economy is undergoing crisis due to the pressures of globalization and free-market. Nevertheless, the country's leaders plan to uphold the principles of cooperation and economic democracy (Jaelani, 2016).

According to World Bank Country Director Motoo Konishi, the Philippines had become a "rising tiger" in East Asia. However, at the same time, during the 2010-2011 fiscal year, the increase in the wealth of the richest families in the Philippines, amounting to 47.39%, comprised 76.5% of the GDP increase for that year. Thus, the benefits of this economic growth has not yet trickled down to the poorer segments of the population, as seen with the malnutrition, and poverty that continue to plague the country despite the fact that the economy seems to be growing (Keenan, 2013).

Clearly, the Philippines has inequality issues that can only be solved by major economic reforms. But with the presence of the increasingly influential oligarch in the country, such reforms would require a government with a very strong political will. It would have to devise a strategy to confine the influence of these very powerful few to as limited area as possible. A part of the so-called *controlled socialism* may therefore be federalism. This may enable the national government to delimit the influence of the oligarch by empowering the smaller sectors (say regions) of the government. Through this strategy, the national government may increase the citizen's access to goods and services by providing the right amount of resources to each sector and let the local government manage these resources. Each sector may then capitalize on its strength and build its own economy and identity. In addition, social turmoil brought about by the resistance among oligarch shall be contained in small areas which may be easier to deal with.

These ideas may still be very rough and a lot of brainstorming should definitely be done to see if these are feasible. Nevertheless, these are possible ways to elevate happiness without jeopardizing the environment due to the increase in ecological footprint.

4. Conclusion

To some degree, socialism shall increase happiness among people through the provision of greater access to goods and services without needing to increase ecological footprint.

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