

Impact of Institutional Trust on Subjective Well-being in Selected Asian Countries

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Abstract

The world happiness report shows that half of the countries of the world face happiness inequality. Presence of corruption, lower level of interpersonal and social support, absence of freedom to make a decision, low GDP, poor health and lack of generosity are the reasons for lack of happiness. The level of happiness is comparatively low in Asian countries such as India, Singapore, China, South Korea, Philippines, Iraq and Pakistan. Social capital is an important term that describes why some countries are happier than others. Social capital can be measured in term of Trust like interpersonal and intuitional trust which has been declined in Pakistan, India, Philippines, Japan, and South Korea. Inequality of happiness, having low trust on institutions and social trust ultimately decrease subjective well-being. So, this study aims to check the impact of institutional trust on the two dimensions of subjective well-being and also examine the relationship between social capital, institutional trust and subjective well-being in selected Asian countries (Pakistan, India, China, Japan, Taiwan, Singapore, Malaysia, South Korea, Philippines and Iraq). For this purpose data has been taken from 6th wave of the World Values Survey from 2010-14. The results of multi nominal logistic model shows that age, health, marital status, income level, financial satisfaction, trust on neighbors, membership in labor union political parties and charity had a significant impact on life satisfaction and happiness. It is evident from the results that there is an association between confidences on Government, police, Army, charitable organization with life satisfaction and happiness. Gender, education level, employment level, trust on people you meet first time, trust on another religion, confidence on TV, parliament, press, universities and court is not significant in some countries. Results show that there is a

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low level of social trust and confidence on some Public and political institutions which decrease the well-being of the people. Government should take measures to build and create social foundation, social trust and healthy lives for increasing subjective well-being of people.

Key Words: Subjective well-being, Life Satisfaction, Happiness, Institutional trust, Social capital, World Value Survey, Selected Asian countries.

Introduction

The aim of public policy is to exploit the social welfare function which is based on the most important characteristic, such as “utility” for individual which measures satisfaction that is an interchangeable term of well-being. Over the last few decades, economists change their concentration towards measuring subjective well-being (Diener & Suh, 1997; Kahneman & Krueger, 2006; Moto & Pereira, 2008; Veenhoven, 2002).

Subjective well-being is a term used in place of happiness and life satisfaction. This term is used by theorist and economist to measure happiness and individual satisfaction. Subjective well-being can be defined as; the level of happiness and satisfaction estimate by people with life shows subjective well-being (Belostikova, 2011). The feelings of joy and delight are the moods of subjective well-being (Argyle 2001; Duncan, 2008).

There are two magnitude of subjective well-being, first is called cognitive known as life satisfaction and another is called affective which is known as happiness. Different studies⁶ used satisfaction and happiness separately, but in many studies happiness and life satisfaction both are used in term of subjective well-being.

Happiness is a Greek word used in place of Eudemonia which means good life and defined as a state of mind, emotions, feelings characterized by satisfactions, love, fascination of fulfillment and pleasure of joy. Happiness, as a more cognitive counterpart of subjective well-being regarded as a short term indicators of subjective well-being like negative and

⁶ Frey & Stutzer, 2001; Lucas, Diener, & Suh, 1996

positive effects, such as moods and emotions, while satisfaction with life or with specific domains of life reflect long term evaluation (Diener, Suh & Lucas, 1996; Sug Je et al., 2015).

The second dimension of subjective well-being is life satisfaction defined as; the qualities and conditions of life like relationship, wealth, participation in community, level of employment and accomplishment, in the result of all these factors a person's satisfaction and dissatisfaction can be evaluated (Argyle, 2001; Duncan, 2008).

Now a day's social relations and communication brought happiness and well-being among individuals. Social capital is gaining attention because it builds and maintains individual's well-being and happiness (Helliwell, 2006; Putnam, 1993).

According to Bjornskov (2003) social capital is an important factor that described why some countries are happier than others. The relationship between social capital and happiness can be described in various ways. Social capital has been increasingly involved in happiness research (e.g. Oswald, 1997; Frey & Stutzer, 2002; Layard, 2005). At the aggregate level, social capital has a positive impact on subjective happiness at the individual level, social capital measured by trust includes generalized trust and interpersonal trust , reciprocity volunteering, and civic involvement for the aggregate level (Chang, 2008; Sug Jo, et al. 2015;Ghamari, 2012; Haller & Halder, 2006).

Institutions are that means by which individual tackle with the essential needs and to cope with the problems which they faced in life from the environment, and they have the ability to protect themselves from the enemies, to solve order (Turner & Jonathn, 2000). Institutional trust and political trust are also important factors that improve trust among peoples. Social trust includes the trust of individual person but intuitional trust located in public (Gergo et al., 2014; Uslaner, 2000).

Institutional trust shows mixed effects on happiness. But in literature institutional trust shows positive impact on happiness. Literature showed that performance of institutions has an effect on trust. If the performance of Government is good and fair the trust of citizens would increases. Subjective well-being has a positive impact on both general and institutional trust on happiness (Halliwell & Putnam, 2004; Helliwell, 2006; Bjornskov, 2008). Life satisfaction is an interpreter of political trust and trust in Government (Brehm & Rahn, 1997; Baltatescu, 2005). The people not having trust on Govt. their level of life satisfaction and happiness will be decline.

Happiness inequality and low level of subjective well-being is the main problem of the Asian countries. Political institutions and trust on institutions increase the well-being of the people. For the development and for making the economy effective, institutions are indispensable in each field, such as economics, social and institutions. Institutions necessitate confidence of people in order to activate efficiently (Sztompka & Piotr, 1999).

Half of the countries of the world face happiness inequality. Presence of corruption, lower level of interpersonal and social support, Absence of freedom to make a decision, low GDP, poor health and lack of generosity are the reasons that declines the level of happiness. The level of happiness is comparatively low as compared to other happiest countries (World Happiness Report, 2017). The level of trust which can be measured in form of interpersonal trust and institutional trust has also been decline. Inequality of happiness, having low trust on institutions and social trust ultimately decrease subjective well-being. So, this study aims to check the relationship among institutional trust and Life Satisfaction. This study also aims to check the relationship among institutional trust and Happiness. This study also aims to check the impact of institutional trust on the two dimensions of subjective well-being and also examine the relationship between social capital, institutional trust and subjective well-being in selected Asian countries (Pakistan, India, China, Japan, Taiwan, Singapore, Malaysia, South Korea, Philippines and Iraq).

Literature review

Subjective well-being and the trust on institutions are gaining the attentions in selected Asian countries. The low level of trust on institutions is a major problem in these countries and to increase the level of trust is remains most strategic for the policy makers and governments. Researchers, over the years have analyzed the role of institutions and its impacts on Subjective well-being. Special emphasize has been laid upon the factors that cause and influence institutional trust and subjective well-being. A vast body of economic literature has empirically and theoretically measured the role of institutional trust on the dimensions of subjective well-being such as Happiness and life satisfaction.

Naila and Benish (2015) aimed to observe the resident's confidence and trust in political institutions. The main aim of this study was to check the important problem faced by the Government of Pakistan and analyze that how much trust and confidence people have on federal, provisional, political parties, Army, Judiciary, police and media. For the analysis data

was taken from a cross-sectional survey. In this paper Lahore was selected as the sampling population. For the analysis data was collected in the period of January 2013 to 2014 when the govt. spent 8 months of his time period. The questionnaire was based upon the 30 questions that include the demographic variables, alertness and contribution in politics, confidence on various institutions. For the analysis of data frequency analysis technique was used. They found that army is only the one institution on which the people of Pakistan have confidence and they trust on Army. All other people shows that they do not trust on the major institutions of Govt. terrorism, bad condition of environment, pressure of politics, lack of confidence in social media, public have less confidence are the important issues faced by Pakistan.

Calvo et al., (2012) examined the relationship between social support, subjective well-being, social trust and volunteering. The aim of the paper was to explore whether the efficient apparatus of subjective well-being are correspondingly connected with social capital, social maintain and volunteering in all over the world. They also look at the relations between three determine of social capital and three indicators of subjective well-being in 142 low-middle and high income countries. They measure subjective well-being as a function of social support, volunteering and social trust, the demographic variables, income and religious activities. Data was taken from the Gallup World Poll which is an international analogous survey accomplished in 2005 to 2009 for those having the age of 15 years and over. For the estimation of the variables they estimate Multi-level models and after that they used Multivariate Ordinary Least square regression. Result showed that better life is possible with high level social trust and results also conclude that there are negative feelings in the world rather than positive feelings. There is a strongest association of higher income countries and middle income countries but there is no association between lower income countries. There is a positive association between Volunteering and better life which leads to positive feelings. Finally the paper concluded that there are two important component of subjective well-being. The indicator of subjective well-being behaves in a different way in across countries.

Catterberg and Moreno (2005) examined the political interest ad investigate how much people have trust in poultrices of individuals in the society. They examined the democracies and new established democracies and studied their distinctions. The aim of this paper is to examine the political trust among individual in society. They measured the changes in political trust over time. After that they construct a model of political trust. For the empirical

investigation they took the data from the four waves of WVS and European value survey that were conducted in 1981 and 2000. They measure political trust as a confidence on political institutions. The most important institutions in political trust are Government performance. In term of political trust they used confidence in parliament, trade unions, political parties, civil services. A set of independent variables like social capital, well-being, democratic behavior, political interest and many other used in the paper. For the investigation of political trust they used multivariate analysis which showed that there was a positive and significant impact of democracies on well-being. All other variables showed significant effect of political trust on well-being.

Data and methodology

This chapter contains information about data set and method used in this study for the analysis to achieve the goal of the study. The description of data, variables and techniques is discussed which identifies the way to solve a particular problem. The procedure of empirical analysis can also light up the way to solve a particular problem. The study is carried out by using secondary data on selected Asian countries (Pakistan, India, China, Japan, Taiwan, Singapore, South Korea, Malaysia, Philippines and Iraq). Other countries are excluded due to unavailability of data and missing data on some variables. To estimate the model parameters in order to test the hypothesis, data is taken from the 6th wave of World Value Survey.

Data and Data Source

The data set used in this study is cross-sectional microeconomic data which has been taken from World Value Survey (WVS). World value survey is a largest database that is established out a network of researcher and scientist from the big universities from all around the world. For the first time world value survey was established for European value survey, after that it is established for the whole world. To collect data locally, international social scientist conceded out this project. The data of world value survey were used by all over the world. It is also used for academic and intuitional purpose. In this study the data of wave six (2010-2014) is used which means that this survey was conducted between the era of 2010 and 2014. The case of Pakistan is focused in this study.

Variables Description

Dependent variable for Happiness Model

Happiness	Not too Happy	1
	Quite Happy	2
	Very Happy	3

Dependent variable for Life Satisfaction Model

Life Satisfaction	Very satisfied	1
	Quite satisfied	2
	Dissatisfied	3

Independent Variables Used in the Study for Happiness and Life Satisfaction Model

Group	Variables	Variables description	
Demographic Indicators	Age (Years)	15-29	1
		30-49	2
		Above 50	3
	Gender	Male	1
		Female	0
	Health	Very Good	1
		Good	2
		Fair/Poor	3
	Marital status	Married/living together as married	1
Divorced/Widowed /Separated		2	
Economic Variables	Educational level	Uneducated	1
		Middle Education	2
		Higher Education	3
	Employment Level	Unemployed	1
		Retired/Student/ Housewife	2
		Employed	3
	Income Scale	Lower Income	1
		Middle Income	2
		Higher Income	3
	Financial Satisfaction	Dissatisfied	1
		Quite Satisfied	2
		Very Satisfied	3
Social Capital and Social Support	Active/ Inactive Membership-labour Union	Not a Member	1
		Inactive Member	2
		Active Member	3
	Active/ Inactive Membership-Politics	Not a Member	1
		Inactive Member	2
		Active Member	3
	Active/ Inactive Membership-Charity	Not a Member	1
		Inactive Member	2
		Active Member	3
	How Much Trust-Neighbours	Trust	1
		Do Not Trust	2
	How Much Trust-People	Trust	1
		Do Not Trust	2
	How Much Trust-People meet first time	Trust	1
		Do Not Trust	2
	How Much Trust-Another Religion	Trust	1
		Do Not Trust	2

Institutional Trust	Confidence on government	Confident	1
		Not confident	2
	Confident on Parliament	Confident	1
		Not confident	2
	Confident on political system: Army rule	Confident	1
		Not confident	2
	Confidence-On Police	Confident	1
		Not confident	2
	Confidence- On Press	Confident	1
		Not confident	2
	Confidence- On TV	Confident	1
		Not confident	2
	Confidence-On Political Parties	Confident	1
		Not confident	2
	Confidence-On University	Confident	1
		Not confident	2
	Confidence- On Charitable Organization	Confident	1
		Not confident	2
Confidence-On Court	Confident	1	
	Not confident	2	
Political Preferences	Political system: Having no Government	Very Good	1
		Fairly Good	2
		Bad/very Bad	3
	Political system: Having the army rule	Very Good	1
		Fairly Good	2
		Bad/very Bad	3
	Political system: Having a democratic political system	Very Good	1
		Fairly Good	2
		Bad/very Bad	3
	Political system: Having a strong leader who does not have to bother with parliament and elections	Very Good	1
		Fairly Good	2
		Bad/Very Bad	3

Methodology

For the construction of variables and empirical analysis “Statistical Package for the Social Sciences” (SPSS) version 20 was used in this study. This software was used to manage data and to find out the results of “Multinomial Logistic Regression Model”.

Multinomial Logistic Regression Analysis (MLRA)

When the endogenous variable is in categorical nature and is continuous in manipulative the explanatory variables; they were either continuous or dichotomous, then the logit model is

used in such scenario. When the dependent variable is consist on different independent variables, to estimate and calculate the probability of categorical substitute multi-nominal logistic model is used. The independent variable in multi-nominal logistic model is based on two ideas, either continuous form or binary form.

In this study Multinomial Logistic Function is used to examine the effects of happiness and life satisfaction and check the impact of institutional and political trust on the two dimensions of subjective well-being. In this model, one category of dependent variable is used as reference category. All other categories are defined and explained in the perspective of this reference category (Calvo et al., 2012). It might be the first, last or the category with maximum incidence. For all N categories N-1 equations are estimated. Multinomial logit model with dependent and explanatory variables can be presented in equation form as:

$$Y_{(a,b)i} = \ln \frac{Pr(Y=a,b)}{Pr(Y=c)} = \alpha_{a,b} + \sum_{j=1}^J \beta_{(a,b)j} (Z)_{ij} \dots\dots\dots(3.6)$$

Where

Y= dependent variable and

N= a, b, c are three different categories of happiness.

Here the probability of ith individual is determined who is facing one of the jth outcomes i.e. of being not too happy, quite happy or very happy in the happiness model.

For life satisfaction model

Where

Y=dependent variable like life satisfaction

N=a, b, c are the categories of life satisfaction such as very satisfied, quite satisfied, dissatisfied. Hare the probability of ith individual is determined who is facing one of the jth outcomes i.e. of being dissatisfied, quite satisfied and very satisfied in the life satisfaction model.

The log odd ratio is estimated by multinomial logit model.

$$\ln \frac{\text{pr}(\text{Happiness} = \text{Quite happy})}{\text{pr}(\text{Happiness} = \text{Very happy})} = \beta_0 + \beta_1 x_1 + \beta_2 x_2 \dots + \beta_k x_k \dots \dots \dots (3.6.1)$$

$$\ln \frac{\text{pr}(\text{Happiness} = \text{Not at all happy})}{\text{pr}(\text{Happiness} = \text{Very happy})} = \beta_0 + \beta_1 x_1 + \beta_2 x_2 \dots + \beta_k x_k \dots \dots \dots (3.6.2)$$

$$\ln \frac{\text{pr}(\text{life satisfaction} = \text{Quite satisfied})}{\text{pr}(\text{life satisfaction} = \text{Very Satisfied})} = \beta_0 + \beta_1 x_1 + \beta_2 x_2 \dots + \beta_k x_k \dots \dots \dots (3.6.3)$$

$$\ln \frac{\text{pr}(\text{life satisfaction} = \text{Dissatisfied})}{\text{pr}(\text{life satisfaction} = \text{Very Satisfied})} = \beta_0 + \beta_1 x_1 + \beta_2 x_2 \dots + \beta_k x_k \dots \dots \dots (3.6.4)$$

The coefficients of multinomial logistic regression represent that a unit change ($\beta_i < 0$, decrease) and ($\beta_i > 0$, increase) in independent variable cause changes in the log odds of dependent variable, keeping all other variables constant (Hoffmann, 2004). The exponential coefficient of β ($\text{Exp}\beta$) shows change in the odd ratio of the endogenous variable in a particular category of the reference category associated with one unit change in the subsequent independent variable. The positive sign of the coefficient indicates that the chances of that category are more than the reference category. While the negative sign shows that chances of that category are less than the reference category.

Results and discussions

Results of life satisfaction and happiness are discussed in this chapter. This chapter is contained in two parts. The results of life satisfaction are presented in the tables. Life satisfaction can be categorized into very satisfied, quite satisfies and dissatisfies. In first step result of very satisfied with the reference category of dissatisfied is discussed while quite satisfied with reference to dissatisfied is discussed in next step. The next part contained the results of happiness (i.e. very happy, Quite happy) which are discussed with the reference category of Not/Not at all happy.

Results of Multinomial Logistic Regression for life satisfaction in Selected Asian Countries

Multinomial Logistic regression used to estimate the probability of being dissatisfied, quite satisfied, and very satisfied through different socioeconomic, demographic, institutional and political trust, social capital variables.

Table 1: Socioeconomic and Demographic, Political, Intuitional Trust and Social Capital Variables, Affecting Life Satisfaction in Selected Asian Countries

Group	Independent Variables	Combine Country analysis Category of Very Satisfied	Combine Country analysis Category of Quite Satisfied
Demographic Variables	Age		
	15-29=1	.875 [^]	.875 [^]
	30-49=2	.935	.935
	Above 50=3	Reference Category	
	Gender		
	Male=1	.792*	.792*
	Female=2	Reference Category	
	Health		
	Very good=1	1.182 ^t	1.182 ^t
	Good=2	1.655*	1.655*
	Fair/Poor=3	Reference Category	
	Marital Status		
	Married/living together as married=1	1.004	1.004
	Divorced/Widowed/Separated=2	.678*	.678*

	Single=3	Reference Category	
Economic Variables	Education Level		
	Uneducated=1	.725*	.725*
	Middle Education=2	1.076	1.076
	Higher Education=3	Reference Category	
	Employment Level		
	Unemployed=1	.784*	.784*
	Retired/Student/Housewife=2	.824*	.824*
	Employed=3	Reference Category	
	Income Scale		
	Lower Income=1	.708*	.708*
	Middle Income=2	1.474*	1.474*
	Higher Income=3	Reference Category	
	Financial Satisfaction		
	Dissatisfied=1	.103*	.227*
	Quite Satisfied=2	.280*	1.035
Very Satisfied=3	Reference Category		
Social Trust & Social Participation	Active/ Inactive Membership-labour Union		
	Not a Member=1	.103*	.772*
	Inactive Member=2	.280*	1.049
	Active Member=3	Reference Category	
	Active/ Inactive Membership-Politics		
	Not a Member=1	.742*	.888
	Inactive Member=2	.853	.877
	Active Member=3	Reference Category	
	Active/ Inactive Membership-Charity		
	Not a Member=1	.673*	.721*
	Inactive Member=2	.786*	.709
	Active Member=3	Reference Category	
	How Much Trust-Neighbours		
	Trust=1	1.089	.986
	Do Not Trust=2	Reference Category	
	How Much Trust-People		
	Trust=1	1.179 [^]	1.052
	Do Not Trust=2	Reference Category	
	How Much Trust-People meet first time		
	Trust=1	.764*	.751*
	Do Not Trust=2	Reference Category	
How Much Trust-Another Religion			
Trust=1	.904	1.041	
Do Not Trust=2	Reference Category		
Institutional Trust	Confidence-Army		
	Confident=1	1.196*	1.076
	Not Confident=2	Reference Category	
	Confidence-Government		
	Confident=1	1.093	.994
	Not Confident=2	Reference Category	
	Confidence-Parliament		
	Confident=1	1.183 ^t	1.086
Not Confident=2	Reference Category		
Confidence-Police			

	Confident=1	1.239*	1.118 [^]
	Not Confident=2	Reference Category	
	Confidence-Press		
	Confident=1	1.155*	1.201*
	Not Confident=2	Reference Category	
	Confidence- TV		
	Confident=1	.927	.872*
	Not Confident=2	Reference Category	
	Confidence-Political Parties		
	Confident=1	1.141 [^]	1.128 [^]
	Not Confident=2	Reference Category	
	Confidence-University		
	Confident=1	1.176 [^]	1.056
	Not Confident=2	Reference Category	
	Confidence-Charitable Organization		
	Confident=1	1.046	1.001
	Not Confident=2	Reference Category	
	Confidence-Court		
	Confident=1	1.098	1.118 [^]
Not Confident=2	Reference Category		
Political Preferences	Political system: Having a strong leader who does not have to bother with parliament and elections		
	Very Good=1	.839 [^]	.842 [^]
	Fairly Good=2	.787*	.928
	Bad/very Bad=3	Reference Category	
	Political system: Having experts, not government, make decisions according to what they think is best for the country		
	Very Good=1	1.190 ^t	1.032
	Fairly Good=2	.969	.944
	Bad/very Bad=3	Reference Category	
	Political system: Having the army rule		
	Very Good=1	.811*	.780*
	Fairly Good=2	.862*	.830 [^]
	Bad/very Bad=3	Reference Category	
	Political system: Having a democratic political system		
	Very Good=1	1.174 ^t	1.068
Fairly Good=2	1.011	1.090	
Bad/very Bad=3	Reference Category		

The reference category is dissatisfied
 Author's Own Computations (WVS, 2010-14)
 * Shows 1% level of significant
[^] Shows 5% level of significant
^t shows 10% level of significant

In this study, life satisfaction is measured which covered the long term component of individual explained by Gamble and Gar ling (2012) as they examined that life satisfaction is a better measure than happiness because happiness measures current situation of individual behavior and mood. Social capital, institutional trust and political trust are also continual

(Putnam 2000). So it is very interesting to check the impact of these factors on happiness and life satisfaction separately.

It is evident from the results of life satisfaction (see table 1) that the demographic factor influenced subjective well-being. In the demographic variables age is considered as the most important factor that influenced life satisfaction. Results show that age has a significant but negative association on life satisfaction which indicates that the lower age group has a less chance of being very satisfied and more chance of being dissatisfied as compared to old age. However, there is a significant negative effect of age on life satisfaction (Tufan & Koydemir, 2013). The base group comprises those aged 15-29 and the group comprises those aged 30-49 are less satisfied than those aged 50 and above. Results are consistent with previous studies (Blanchflower & Oswald, 2004a; Delhy & Newton, 2003; Ferreri, Carbonell, & Gowdy, 2007; Hooghe & Vanhoutte, 2009; Wang et al., 2011; Yuan & Golpelwar, 2012).

Gender occupies different positions in all societies, in some societies men have a higher position as compared to women. Different studies show that women are more satisfied than men. The results show that males have a less chance to be very satisfied and more chance of being dissatisfied as compared to females. It seems that women are happier than men and gender shows a significant but negative effect on life satisfaction. Results are consistent with previous research (Blanchflower & Oswald, 2004; Clark & Oswald, 1996; Tufan & Koydemir, 2013)

Health is the most important indicator that influences significantly on life satisfaction in Asian countries as proved by the literature. Health is an important factor that prescribes life satisfaction. Higher physical health leads to a higher level of life satisfaction as well as mental health. It is evident from the above tables that health shows a positive and strongly related to life satisfaction. A person with very good and fair health has more chance to be very satisfied and quite satisfied and less chance to be dissatisfied. Results are proved with previous researches (Blanchflower, 2008; Cid et al., 2007; Dolan et al., 2008; Frey & Stutzer, 2002; Gerdtham & Johannesson, 1997; Graham, 2008; Hussien & Heshmat, 2009; Zamarro et al., 2014).

Results of marital status show that married people are positively significant to life satisfaction as compared to single, divorced, widowed and separated people which means married people are more satisfied with their lives as compared to other categories of marital status. Results are reliable with previous studies (Hayo & Seifert, 2003; Haller & Hadler, 2006; Myers, 2000).

Educational level is also an important factor that describes a person's well-being. It is evident from above table that the people who are uneducated have less chance to be satisfied and more chances to be dissatisfied (Dolan et al., 2008; Hayo & Seifert, 2003; Pose & Maslauskaite, 2012). Results are consistent with previous studies (Haller & Hadler, 2006; Hooghe & Bram Vanhoutte, 2009).

For a satisfying life and self-identity, work and employment status is an important factor now days. Results of Economic variables such as employment status show that unemployed people had less chances of very satisfied and less chance as compared to employed. The unemployed are not as happier as employed and less satisfied with their lives as compared to employed (Haller & Halder, 2006; Heliwell, 2003).

Income level of individual is a key determine of how much a person is satisfied. It is observed in above table that lower income group and middle income group seems to less satisfy as compared to higher income group while in quite satisfied model people are less chance to be quite satisfied and middle income group have more chances to be quite satisfied as compared to higher income group. Results are consistent with previous studies (Clark & Oswald, 1994; Di Tella, MacCulloch, & Oswald 2001; Frey & Stutzer 2000; Oswald 1997; Kahneman & Krueger, 2006).

Financial satisfaction is an important factor that describes a person's satisfaction towards his financial situation. Result shows that people who are dissatisfied and quite satisfied with their financial satisfaction they had a less chance of very satisfied (Haller & Hadler, 2006; Helliwell, 2006).

The results of social capital that include membership trust and confidence on institutions and political institution shows that membership in a labor union had a significant but negative association which means the people who are not a member of labor union have less chances to be very satisfied as compared to those people who have a membership in labor union.

The chances of being satisfied are more when the people are not participate and involve in political parties. People having participated in political parties have less chance to be very satisfied and the coefficient of membership in political parties is significant but negatively associated to life satisfaction.

Participation in the charitable organization shows positive and significant effect on life satisfaction. To help others with the help of charity gives the warm glow effect of participation. Results show that inactive membership and not a member have less chance to be more satisfied than the people having members of charitable organization. It is proved by the previous studies (Chang, 2008; Calvo et al., 2012; A. Leung et al., 2010).

The level of trust is decline in the Asian countries shows in the results. The level of trust on people, neighbor, and another religious is decline. Result shows that if the people trust those people meat first their level of satisfaction decline, the coefficient of people meat first time has a negative effect on life satisfaction.

Confidence on institutions shows that people have confidence on police, press, political parties, court, parliament, army and university. These institutions have positive and significant effect on life satisfaction Results are consistent with the previous studies (A. Leung et al., 2010; Robinson & Jackson, 200; Bo Rothstein & Stolle, 2007; Brehm & Rahn, 1997; Putnam, 2000;Smith, 1997; Paxton,1999).

The results of political preferences and political system that are governing in Asian countries show that democracy has a positive and significant effect on life satisfaction. People having democratic state feels free and they are more satisfied. The result of having army rule is negatively associated with life satisfaction which means the countries having army rule, the level of very satisfied is low and the chances of dissatisfied is high. The results of the political system which the political leader dose not bothers the parliament and elections which shows dictatorship have significant but negative association with life satisfaction (Suri et al., 2005; Tan & Tambyah, 2011).

Results of Multinomial Logistic Regression for Happiness in Selected Asian Counties

Multinomial Logistic regression used to estimate the probability of being not too happy, quite happy, and very happy through different socioeconomic and demographic variables.

Table 2 Socioeconomic and Demographic, Political, Intuitional Trust and Social Capital Variables, Affecting Happiness in Selected Asian Countries

Group	Independent Variables	Combine Country analysis Category of Very Happy	Combine Country analysis Category of Quite Happy
Demographic Variables	Age		
	15-29=1	.839 [^]	.819*
	30-49=2	.727*	.777*
	Above 50=3	Reference Category	
	Gender		
	Male=1	.685*	.743*
	Female=2	Reference Category	
	Health		
	Very good=1	15.870*	3.699*
	Good=2	3.720*	3.096*
	Fair/Poor=3	Reference Category	
	Marital Status		
	Married/living together as married=1	1.853*	1.298*
	Divorced/Widowed/Separated=2	.892	.758 [^]
Single=3	Reference Category		
Economic Variables	Education Level		
	Uneducated=1	.622*	.632*
	Middle Education=2	1.063	.905
	Higher Education=3	Reference Category	
	Employment Level		
	Unemployed=1	1.138 [^]	.845 [^]
	Retired/Student/Housewife=2	1.306*	1.141 [^]
	Employed=3	Reference Category	
	Income Scale		
	Lower Income=1	.438*	.674*
	Middle Income=2	.749*	.979
	Higher Income=3	Reference Category	
	Financial Satisfaction		
	Dissatisfied=1	.274*	.351*
	Quite Satisfied=2	.448*	.697*
Very Satisfied=3	Reference Category		
Active/ Inactive Membership-labour Union			
Not a Member=1	.872	.956	
Inactive Member=2	1.150	.855	

Social Trust & Social Participation	Active Member=3	Reference Category	
	Active/ Inactive Membership-Politics		
	Not a Member=1	.922	.923
	Inactive Member=2	.759^	.762*
	Active Member=3	Reference Category	
	Active/ Inactive Membership-Charity		
	Not a Member=1	.920	.669
	Inactive Member=2	1.003	1.395
	Active Member=3	Reference Category	
	How Much Trust-Neighbours		
	Trust=1	1.269*	1.130*
	Do Not Trust=2	Reference Category	
	How Much Trust-People		
	Trust=1	1.159*	.892
	Do Not Trust=2	Reference Category	
	How Much Trust-People meet first time		
	Trust=1	.936	.961
	Do Not Trust=2	Reference Category	
	How Much Trust-Another Religion		
	Trust=1	.792*	1.100
Do Not Trust=2	Reference Category		
Institutional Trust	Confidence-Army		
	Confident=1	1.361*	.808
	Not Confident=2	Reference Category	
	Confidence-Government		
	Confident=1	.874^	.602 [†]
	Not Confident=2	Reference Category	
	Confidence-Parliament		
	Confident=1	1.213^	1.351
	Not Confident=2	Reference Category	
	Confidence-Police		
	Confident=1	1.552*	1.379*
	Not Confident=2	Reference Category	
	Confidence-Press		
	Confident=1	1.295*	1.190*
	Not Confident=2	Reference Category	
	Confidence- TV		
	Confident=1	1.094	1.014
	Not Confident=2	Reference Category	
	Confidence-Political Parties		
	Confident=1	1.163^	1.003
	Not Confident=2	Reference Category	
	Confidence-University		
	Confident=1	1.120^	1.165*
	Not Confident=2	Reference Category	
	Confidence-Charitable Organization		
	Confident=1	1.111^	.935
	Not Confident=2	Reference Category	
	Confidence-Court		
Confident=1	.130	1.160*	
Not Confident=2	Reference Category		
Political	Political system: Having a strong leader who does not have to bother with		

Preferences	parliament and elections		
	Very Good=1	1.494*	1.256*
	Fairly Good=2	1.052	1.086
	Bad/very Bad=3	Reference Category	
Political system: Having experts, not government, make decisions according to what they think is best for the country			
Very Good=1	.892t	.909	
Fairly Good=2	.903 ^t	1.005	
Bad/very Bad=3	Reference Category		
Political system: Having the army rule			
Very Good=1	1.099	.917	
Fairly Good=2	1.039	.767*	
Bad/very Bad=3	Reference Category		
Political system: Having a democratic political system			
Very Good=1	1.326*	1.155*	
Fairly Good=2	1.084	1.107 ^t	
Bad/very Bad=3	Reference Category		

The reference category is Not/Not at all happy
 Author's Own Computations (WVS, 2010-14)

* Shows 1% level of significant

^ Shows 5% level of significant

t shows 10% level of significant

The results of very happy and quite happy with reference to not happy shows young and middle age seems to be less happy as compared to old and middle age group shows positive and significant effect on happiness which means the chances of being very happy increases for young and middle age group Results are consistent with previous studies (see table 2) . It is argued that the relationship between happiness and age is u-shaped. The happiness level increases and decline in the mid age after that increase at the old age. Results are consistent with previous studies (Blanchflower & Oswald, 2008; Clark & Oswald, 1996; Clark, 2002; Helliwell, 2003; Frey & Stutzer, 2002).

Gender has insignificant effect on happiness. Satisfaction with the health status has a positive impact on individual's happiness in all the countries. The positive and significant effect of health on happiness shows that the people having a person with good health enjoy his or her life more happily (Cid et al., 2008; Dolan et al., 2008; Eyunni, 2011; Frey & Stutzer, 2002; Gill & Feinstein 1994; Hooghe & Vanhoutte, 2009; Headey et al., 1984; Fuentes & Rojas, 2001; Michalos et al., 2001).

Marital status is significant in significant effect on happiness which shows that married people having more chances of happiness as compared to widowed, separated and divorced

Results are consistent with previous studies (Blanchflower & Oswald, 2008; Di Tella et al., 2001; Stutzer & Frey, 2006)

There is some evidence that education has more of a positive impact on low-income countries (Fahey & Smyth, 2004; Carbonell, 2005). It seemed that those who attain higher education were less happy than those with lower educated were. Primary and high school educated people in particular appear to have higher levels of happiness. It reported that highly educated individuals showed greater distress or less satisfaction and happiness than others (Clark & Oswald, 1994; Clark et al., 1996)

It is evident from the above table that education level and employment status had a positive and significant effect on happiness. Income scale shows that people having low income having less chances of happiness as compared to middle and higher income group. Financial satisfaction is an important factor to determine individual's happiness. Financial satisfaction shows that people having quite satisfied and dissatisfied had less chance of happiness as compared to satisfied people Results were consistent with the findings of (Blanchflower & Oswald, 2004; Clark & Oswald, 1996; Easterlin 2001; Headey et al., 2008; Hussien & Heshmat, 2009).

Participation in social activates seems to be had a significant effect on happiness of a person. The positive and negative results of membership shows the degree of a persons' involvement in these activates. The results of membership in politics, charity and labor union had no significant effect on happiness.

Social trust is an important factor that defines why some countries are happier. But in Asian countries the social trust is decline among people. As far as concerned to the trust, people having trust on neighbors and people have higher level of happiness as compared to others. It is evident from the results that trust on neighbors and people are significantly and positively associated to the happiness (Brehm & Rahn, 1997; Putnam, 2000; Smith, 1997; Paxton, 1999; Robinson & Jackson, 2001).

It is evident from the above results that people have confidence on parliament, press, army, charitable organization, university. The coefficient of these variables significantly associated to happiness. The results of trust in these countries are weak which shows that lower level of trust decrease the trust on institutions which leads to decrease the subjective well-being of the people.

As concerned to the political system, in some countries people think about dictatorship, while in some countries because of the shortcoming of democracies people think about army rule and no government. The results confirmed that democracy is the best type of government according to the people's perception level. A leader who does not bother parliament and elections also had a positive effect on happiness. The people having confidence on having no government show that they have less happiness if they trust on No government.

Conclusion and recommendations

Happiness is becoming the most important object of serious research in 21st century economics after having been unnoticed for a long time by economists. Hence this study aims to find the factor that effect life satisfaction and happiness in selected Asian countries.

The study revealed that happiness and life satisfaction not much affected by socio demographic factors such as employment status, age, and gender and insignificant found to have insignificant effect on the level of happiness. The study revealed that that satisfaction with health states, satisfaction with life, satisfaction with financial situations, income level, democracy, and confidence on police, army and charitable organization, trust on neighbor, membership in charity had significant positive effect on the level of happiness and life satisfaction.

It is evident from the above results of the present study, the difference in age and happiness was not much importance and the difference in gender is also not much important as well. The results showed that there was a positive relationship between income level and happiness. Individuals with higher income levels were satisfied with their financial situations had more probability of being happy and satisfied with life. However, income could be considered necessary, but not a sufficient condition for being happy and satisfied.

Age, gender, education and employment level had not significant effect on life satisfaction. Health, income level, Financial satisfaction had a positive impact on life satisfaction.

Confidence in parliament, court, universities, TV, press had not a significant impact on life satisfaction and happiness. In life satisfaction and happiness results confidence on police, army, government, parliament, charitable organizations, political parties had a significant effect on life satisfaction and happiness.

As far as concerned to the political systems that are governing in these countries, democracy is the famous type of government according to the results. The coefficient of democracy is positively significant to subjective well-being. Having army rule is significant but negative effect on subjective well-being which means that people having confidence on army rule the level of subjective well-being is low. Dictatorship also had a negative effect on subjective well-being. Having expert and no government also had a significant effect on both dimensions of subjective well-being such as life satisfaction and happiness.

So, this paper concluded that demographic factors significantly correlated with subjective well-being. There is not a strong relationship between subjective well-being and trust. Some variables of membership significantly related with subjective well-being.

As the variables of confidence on institutions, there are some variables that are positively correlated with subjective well-being but it seems that people have less confidence on these institutions as well as their preference about political system is also weak.

It found from the results that preferences for democracy, confidence in police, army, and government associated with higher level of happiness and life satisfaction. Satisfaction with democracy and confidence in government enhance the feelings of safety and prevents disorders

Policy Recommendation

In order to increase the level of trust among individuals and improve the confidence of people on political and public institutions, following suggestions should kept under consideration because if the institutions are in favorable condition of a country then it will increase the level of trust, In short, increase the subjective well-being of individuals.

- Findings suggest that enhancing the level of trust will not only increase the subjective well-being of individuals but also improve the Government performance.
- There should be create political stability, and improve the condition of law and order, in order to attract institutions to improve their quality this will improve the confidence of people on institutions.
- There should be fairer institutions because fairer institutions bring happiness and life satisfaction over all. Govt. should create sound policies for people what matter most to them like their well-being.

- The social trust and social participation in Asian countries were low as compared to the happiest countries which results the lowest happiness level in selected Asian countries. Therefore, there should a need to build and create social foundation, social trust which leads to healthy lives. There should be need to indulge citizens in social activates which makes the economy grow and make the democracy to work.

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