

Citizen Well-Being and Democracy: the Determinants of Objective and Subjective Well-Being, and their Impact on Democracy Worldwide

Bienestar ciudadano y democracia: los determinantes del bienestar objetivo y subjetivo, y su impacto en la democracia en el mundo

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ABSTRACT

This article conducts a global-scale analysis of the relationship between multiple variables: economic conditions, happiness, life satisfaction, and perceptions of democracy on one hand; and the economic and political performance of governments on the other. The study presents evidence that components of economic well-being and subjective well-being do not necessarily evolve in tandem or the same direction; rather, they exhibit complex and occasionally contradictory interrelations. The statistical analysis developed in this research demonstrates that the quality of democratic institutions positively influences individuals' objective well-being, as measured by the Human Development Index (HDI). In other words, in cross-country comparisons, democracy as a political system emerges

RESUMEN

En este artículo se realiza un análisis a escala mundial sobre la relación entre diversas variables: la situación económica, la felicidad, la satisfacción con la vida y la valoración de la democracia, por una parte; y el desempeño económico y político de los gobiernos, por la otra. Se presenta evidencia de que los componentes del bienestar económico y del bienestar subjetivo no necesariamente evolucionan de manera conjunta ni en la misma dirección, sino que se relacionan entre sí de forma compleja y, en ocasiones, contradictoria. El análisis estadístico desarrollado en este estudio muestra que la calidad de las instituciones democráticas incide positivamente en el bienestar objetivo de los individuos, medido a través del Índice de Desarrollo Humano (IDH), es decir, en una

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as a significant —albeit generalized— contributing factor to a population’s economic welfare. However, this correlation cannot be conclusively extended to the effects of democracy on subjective well-being, at least when observed at an aggregate level.

Keywords: subjective well-being; objective well-being; Human Development Index; happiness; quality of democracy.

comparación entre países, la democracia, en tanto sistema político, se configura como un factor que contribuye de manera significativa — aunque general— al bienestar económico de la población. No obstante, no es posible afirmar lo mismo respecto de los efectos de la democracia sobre el bienestar subjetivo, al menos cuando se lo observa en una escala agregada.

Palabras clave: bienestar subjetivo; bienestar objetivo; Índice de Desarrollo Humano; felicidad; calidad de la democracia.

Introduction

On May 21st, 2020, Mexico’s former president, Andrés Manuel López Obrador, expressed his intention to develop an “alternative well-being index to replace gross domestic product” for Mexico (Caso, 2020). As he articulated, the aim was to create a measurement of the Mexican population’s well-being that incorporated economic growth, diverse social welfare indicators, socioeconomic inequality, and citizens’ happiness. The former president’s argument emphasized his assessment that economic growth is insufficient “if not accompanied by a fairer distribution of resources among the population”.¹

López Obrador’s proposal was not particularly novel. Since 2008, then-French President Nicolas Sarkozy commissioned Joseph Stiglitz, Amartya Sen, and Jean-Paul Fitoussi to analyze how to measure social progress and well-being beyond gross domestic product (GDP).² Following the 2009 report by these scholars, the Organisation for Economic Co-operation and Development (OECD) proposed a methodology in 2011 to create a “Better Life Index,” encompassing 11 variables: housing, income, employment, community, education, environment, civic engagement, health, life satisfaction, safety, and work-life balance (OECD, 2011).

Since then, a global academic and political debate has emerged regarding the importance and feasibility of measuring well-being through social, psychological, and economic dimensions beyond GDP. Rojas (2012) and Castellanos (2020) have identified as relevant to this purpose the OECD’s proposals, the European Commission’s “Beyond GDP” project, the

¹ The measurement in question was never introduced during the administration of former President López Obrador.

² The report resulting from the analysis conducted by the Commission on the Measurement of Economic Development and Social Progress can be accessed at: Stiglitz, Sen, and Fitoussi (n.d.).

Quito Group's initiative to develop alternative indicators, Bhutan's Gross National Happiness framework, and the UK Prime Minister's call to integrate happiness into national accounting. Numerous countries and regions have since joined efforts to incorporate well-being metrics into public policy decision-making. A prominent example is the Well-being Economy Governments Partnership (WEGO), which includes Canada, Scotland, Finland, Wales, Iceland, and New Zealand.³ Even in Mexico, the National Institute of Statistics and Geography (INEGI), responsible for national statistics on population, society, employment, and the economy, has published data since 2012 —using the OECD's methodology— on the subjective well-being of the Mexican population, termed “self-reported well-being” (BIARE) (INEGI, n.d.).

The emerging international consensus thus acknowledges the importance of integrating both “objective” economic indicators and “subjective” psychological metrics to assess individual and societal well-being. Building on this context, this article pursues an ambitious objective: to identify, at a global level, the relationship between the quality and public perception of democratic institutions and processes in various countries, on one hand, and citizens' “objective” and “subjective” well-being on the other. Understanding this relationship is globally significant but holds particular relevance for regions like Latin America, where dissatisfaction with democratic performance has approached or exceeded 70 % in recent surveys (2018, 2020, and 2023). Moreover, the proportion of individuals “not at all satisfied” with democracy has risen steadily, from 13.1 % in 2009 and 14.4 % in 2010 to 29.4 % in 2020 and 27.5 % in 2023 (Latinobarómetro, 2023). Nevertheless, life satisfaction levels in the region remain relatively high given its economic and democratic development.

This article seeks, first, to determine whether the quality of democratic institutions and processes significantly impacts objective well-being (measured through economic and social data) and subjective well-being (psychological dimensions). Both types of well-being are treated as dependent variables, while democratic quality is conceptualized as the independent variable. Second, we explore the association between these two forms of well-being and individuals' evaluations of democracy in their countries. Here, subjective and objective well-being serve as independent variables. As elaborated in the methodology section, subjective well-being refers to happiness and life satisfaction, while objective well-being encompasses income, health, and education levels. Democratic quality is measured through citizens' positive or negative assessments of democracy in their respective nations.

The article is structured into four sections: the first discusses the dual dimensions of well-being (objective and subjective) and their measurement; the second reviews literature

³ This Alliance of Nations is part of a global movement initiated in 2018, which promotes collaboration among organizations, movements, and individuals to build a *economía del bienestar* (well-being economy) that fosters human and ecological welfare.

on the determinants and effects of both forms of well-being, treating them as dependent and independent variables concerning other factors; the third provides a theoretical justification for the democratic quality indices used in this study; the fourth outlines methodological specifications and analytical stages; the fifth presents empirical analysis; and the final sections offer discussion and conclusions, identifying gaps for future research.

Objective and subjective well-being

Temkin and Del Tronco (2006) argued that, despite ongoing debates surrounding the concept of well-being, the academic literature had reached at least two consensuses. The first is that the Human Development Index (HDI) serves as an appropriate indicator for measuring objective well-being in terms of income, life expectancy, and education. This index, defined by the United Nations Development Programme (UNDP) as a quantitative assessment of “a process of expanding people’s life choices” (UNDP, 1990), evaluates three fundamental dimensions (or capabilities): *a*) the capacity to lead a long and healthy life, measured by life expectancy at birth; *b*) the capacity to acquire knowledge, measured by years of schooling; and *c*) the capacity to achieve a decent standard of living, measured by income.

The same authors contend that well-being also encompasses a subjective component. While no universal consensus exists on how to measure this dimension, subjective well-being⁴ is commonly assessed through two facets: *a*) happiness, referring to the hedonic sensations an individual reports at a given moment, and *b*) life satisfaction, reflecting individuals’ reflective evaluations of their lives overall or specific domains (e.g., work, family, economic status, health). According to Diener (1994), subjective well-being constitutes a personal evaluation combining cognitive elements (aspirations and achievements) and affective states (feelings, emotions, and moods). When measuring happiness and life satisfaction, it is critical to account for individuals’ “affective balance”.⁵

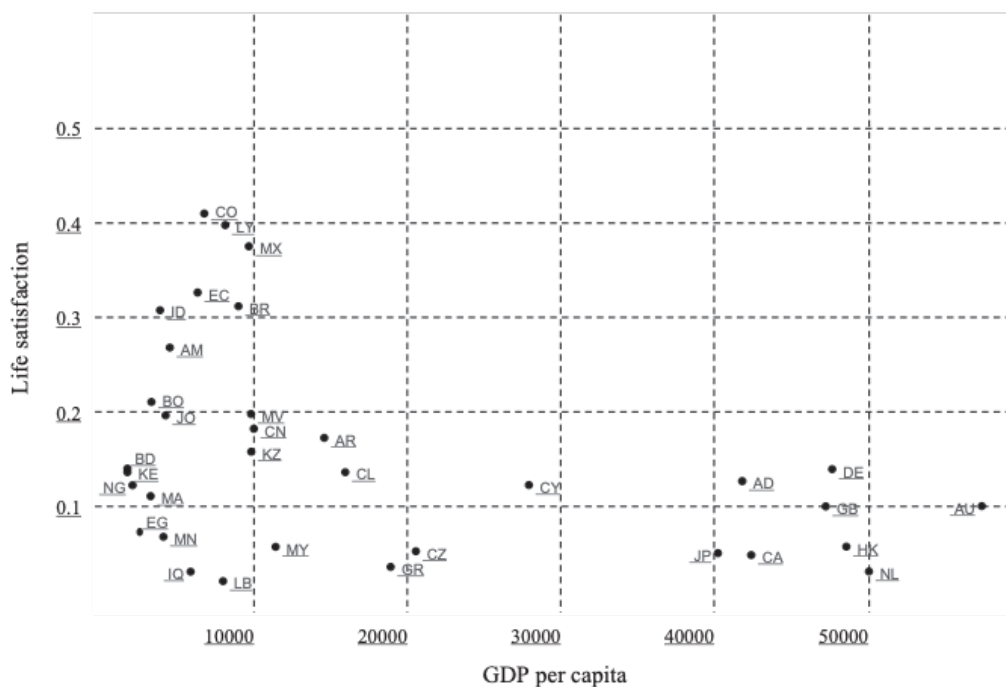
When comparing objective well-being (typically measured by income) with subjective well-being, a divergence may emerge. Nations or individuals may exhibit high socioeco-

⁴ For reference, it is advisable to consider the recommendations on measuring subjective well-being proposed by the Organisation for Economic Co-operation and Development (OECD, 2013) and the recent methodological revisions undertaken by the same body, which outline new measurement pathways (Mahoney, 2023).

⁵ *Affective balance* is a method of measuring individuals’ subjective well-being based on the positive emotions (e.g., joy, calmness) and negative emotions (e.g., fear, anger) they experience. It is termed a “balance” because the metric subtracts the frequency of reported negative experiences from positive ones, yielding an average balance that may skew positively or negatively (INEGI, n.d.; OECD, 2013). Affective balance is more closely associated with the hedonic dimension of well-being (e.g., happiness) than its evaluative dimension (e.g., life satisfaction). For instance, individuals experiencing negative emotions near the time of a subjective well-being survey may report significantly lower happiness levels, though this does not necessarily diminish their life satisfaction. This study does not include balance affectivo due to insufficient data across the countries analyzed.

conomic status (high objective well-being) alongside low happiness and life satisfaction (low subjective well-being), or vice versa (Temkin & Del Tronco, 2006; Torres, 2010). Figure 1 illustrates this discrepancy using life satisfaction data from the sixth wave of the World Values Survey (wvs) and GDP per capita data from the World Bank. Contrary to expectations, higher economic development does not invariably correlate with greater life satisfaction. For instance, the United States exhibits high economic development but comparatively low citizen life satisfaction, whereas Colombia reports high population life satisfaction despite lower national economic development.

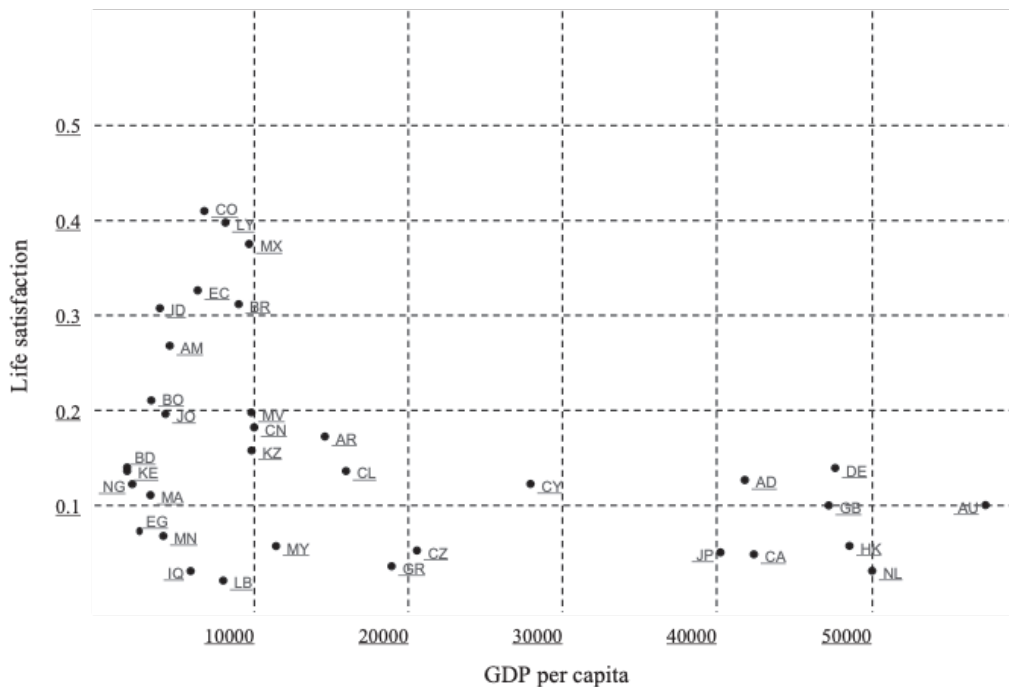
Figure 1
 Relationship between GDP per capita and life satisfaction, 2017-2022



Source: Authors' analysis using data from the wvs and the World Bank.

Richard Easterlin (1974) was among the first to identify this paradoxical relationship between income and life satisfaction. While a positive correlation exists within countries (higher income corresponds to greater life satisfaction), the association weakens or disappears in cross-country and longitudinal analyses. Social comparisons and shifts in relative socioeconomic status influence reported subjective well-being, partially explaining this paradox (Easterlin, 1974; Easterlin & O'Connor, 2020).

Figure 2
Relationship between human development and life satisfaction, 2017-2022



Source: Authors' analysis using data from the wvs and the World Bank.

A recent analysis by Killingsworth, Kahneman, and Mellers (2022) further elucidates the income-happiness relationship. Their study reveals that this relationship varies across the population's happiness distribution. Among the least happy individuals (15th percentile), income beyond a certain threshold (\$100 000 annually in the study) ceases to increase happiness, instead stabilizing it (suggesting life challenges are unaffected by higher income). Conversely, among the happiest individuals (85th percentile), higher income appears to enhance happiness.

The analysis now turns to the relationship between subjective well-being and human development. Figure 2 presents data on life satisfaction from the sixth wave of the wvs alongside HDI scores from the UNDP. The data reveal that higher HDI values —indicative of advanced human development— do not universally correlate with greater life satisfaction. For instance, countries such as South Korea, Canada, Singapore, and Germany exhibit high HDI scores but comparatively low life satisfaction. Conversely, Pakistan reports relatively high life satisfaction despite a low HDI.

Yin et al. (2021) corroborate these findings in their analysis of HDI and subjective well-being. The authors identify that HDI is more strongly associated with cognitive well-being (measured by the Cantril ladder, which assesses perceptions of the “best possible life”) than with affective well-being (measured through emotional balance). Furthermore, when examining the relationship between HDI’s three components —income, health, and education— and subjective well-being, their study finds that income generally holds the strongest predictive power. However, they emphasize that these three components exert equal influence only in Western, developed nations, suggesting significant cultural variations in how social development paradigms shape subjective well-being. These cultural divergences are particularly evident in the present analysis, where four Latin American countries —Colombia, Mexico, Ecuador, and Brazil— display strikingly high life satisfaction relative to their HDI levels.

Finally, it is critical to acknowledge that despite the expected discrepancies between the HDI’s conceptual framework (focused on objective metrics) and the empirically driven approach to subjective well-being, these perspectives remain complementary. As academic literature demonstrates, the variables comprising the HDI —income, health, and education— partially explain population-reported well-being. While their relative contributions vary, these factors remain pivotal to individuals’ life satisfaction and happiness.⁶

Determinants and effects of subjective and objective well-being

In academic literature, subjective and objective well-being have been analyzed both as dependent and independent variables. This study engages with the discussion from both perspectives.

Subjective well-being as a dependent and independent variable

Regarding subjective well-being as a dependent variable —that is, the factors influencing individuals’ happiness and life satisfaction— relevant scholarship has identified economic conditions, employment status, family relationships, health, educational attainment, and affective balance as key determinants (Diener, Suh, Lucas, & Smith, 1998; DeNeve & Cooper, 1998; Yuste, Rubio, & Aleixandre, 2004; Alarcón, 2006; Árraga & Sánchez, 2010; Rojas & Veenhoven, 2010; Rojas, 2011; Temkin & Flores Ivich, 2017; Temkin & Cruz Ibarra, 2018).

Of particular relevance to this research are studies examining the role of political institutions’ legitimacy and performance as determinants of subjective well-being, particularly variables such as the rule of law, corruption, and political participation (Frey & Stutzer,

⁶ For an analysis of the relationship between the Human Development Index and subjective well-being, see Hall (2013) in the World Happiness Report 2013.

2000; Veenhoven, 2000; Radcliff, 2001; Helliwell & Putnam, 2004; Hudson, 2006; Dorn et al., 2007; Pacek & Radcliff, 2008; Owen, Videras, & Willemsen, 2008; Pacek, 2009; Bjørnskov, Dreher, & Fischer, 2010; Álvarez Díaz, González, & Radcliff, 2010; Barker & Martin, 2011; Flavin & Keane, 2012; Frey, 2011; Stadelmann Steffen & Vatter, 2012; Rode, 2013; Lorenzini, 2015). The literature demonstrates that these variables —corruption, rule of law, and political participation— can influence how citizens perceive their lives and satisfaction with them. For instance, the World Happiness Report has included, since 2013, national rankings that quantify the extent to which average life satisfaction can be explained by factors such as corruption perceptions, GDP per capita, social support, healthy life expectancy, prosocial behavior, and freedom to make life choices. As these annual reports analyze, corruption undermines governments' ability to deliver public goods or equitable outcomes, hindering economic development and eroding institutional trust. Institutions enjoying higher public trust tend to implement social and economic policies more effectively, thereby enhancing subjective well-being (Hudson, 2006).

As Radcliff (2001) and Besley, Marshall, and Persson (2023) note, life satisfaction can be influenced by state effectiveness in fulfilling basic functions, as well-performing institutions create conditions for higher citizen well-being.

When treated as an independent variable, subjective well-being has gained prominence in studies examining its impact on political behavior and structures. Flavin and Keane (2012), for example, find that greater life satisfaction correlates with increased political participation through voting and conventional political actions, a pattern corroborated by Temkin and Flores Ivich (2017). Lorenzini (2015) extends this to more contentious forms of participation, such as public protests. Temkin and Del Tronco (2006) argue that societies with minimal disparity between subjective and objective well-being —where structural economic conditions align closely with reported happiness and life satisfaction— exhibit stronger public approval of democracy. Loubser and Steenekamp (2017) further demonstrate that democracies in nations with lower average life satisfaction face heightened political and economic challenges.

A study of the 2016 U.S. election (Ward et al., 2021), which resulted in Donald Trump's victory, identifies subjective well-being as the strongest predictor of electoral outcomes, surpassing economic status and human capital. Voters' pre-election hopelessness about their future life satisfaction (measured as anticipated well-being five years later) predicted Trump support twice as effectively as household income. A similar pattern emerged in France's 2017 presidential election, where Marine Le Pen's voters reported significantly higher future pessimism than the broader electorate (Ward, 2019).

Objective well-being as a dependent and independent variable

Objective well-being has similarly been analyzed concerning institutional and democratic conditions, both as a dependent and independent variable.

As a country's democratic development shapes a dependent variable, objective or material well-being. Mezú (2020), for example, identifies democracy as a critical, though not exclusive, driver of economic progress. Barro (1996) posits a non-linear relationship: objective well-being initially rises with democracy but declines beyond a threshold. Garcé and Armellini (2008) emphasize the role of competitive party systems, arguing that alternation between left-wing (favoring income redistribution) and right-wing (prioritizing economic growth) governments fosters balanced and sustainable development by harmonizing growth and equity.

As an independent variable, objective well-being's positive effect on democracy has been widely examined (Lipset, 1959; Mainwaring & Pérez Liñán, 2008; Barreda, 2011). Lipset attributes this to two factors: *a*) economic development correlates with higher education levels, which may promote democratic attitudes, and *b*) advanced human development fosters a robust middle class that mitigates interclass conflict and reduces support for anti-democratic movements. Barreda (2011) adds that in unequal societies, economic elites may resist democratic deepening to preserve privileges. Crespo and Martínez (2005) link economic inequality to political polarization, which erodes trust and democratic quality, while Bermeo (2009) associates inequality with weakened rule of law.

Conceptualizing and measuring democratic quality

This study's introduction outlines its aim to identify, at a global level, the relationship between the quality and public perception of democratic institutions and processes across nations, on one hand, and citizens' objective and subjective well-being on the other. To achieve this, it is necessary to define criteria and indicators for assessing democratic quality and citizen evaluations of democracy. Expert-coded indicators of democratic quality from widely accepted databases include the Varieties of Democracy (V-Dem) Index and Freedom House, while citizen perceptions of democracy—drawn from the wvs—reflect individuals' views on democracy in their respective countries.

The democratic quality indicators used in this article's empirical analysis are grounded in distinct theoretical frameworks. The goal is to demonstrate that, despite theoretical nuances, each perspective remains critical for evaluating relationships with objective and subjective well-being. Theoretical conceptions of democracy can be classified into three categories: the minimalist approach, which focuses on essential democratic qualities; the multidimensional perspective, emphasizing diverse institutional and procedural aspects; and the effectiveness-oriented approach, which prioritizes conditions for democratic functionality.

Scholarship on minimalist conceptions offers extensive debate on democracy's core definitions. Schumpeter's (1942) classic procedural theory, rooted in realism and minimalism,

defines democracy as a “method of electoral competition to form government” (Vidal, 2010), where voting constitutes the fundamental civic duty and right. Robert Dahl (1993) argues that democratic regimes must effectively respond to citizen preferences without discrimination, requiring rules to ensure equal opportunities for political participation. Vanhanen (2000) and Boix (2013) identify participation and competition as minimal dimensions, while Przeworski et al. (2000) outline four criteria: an elected executive, an elected legislature, multiparty systems, and political alternation. A widely used minimalist metric is Freedom House’s Freedom Index, which evaluates civil liberties —such as freedom of expression, association, education, and religion— and political rights, including free elections and electoral competition.

The multidimensional conception of democracy, exemplified by the V-Dem project (Coppedge et al., 2011), addresses scholarly disagreements over conceptualizing political regimes. V-Dem proposes a “historical, multidimensional, disaggregated, and transparent” democracy index, organized around six dimensions: electoral (party competition), liberal (transparency, civil liberties, rule of law, accountability, and minority rights), majoritarian (sovereignty of majority will), participatory (direct democracy mechanisms), deliberative (decision-making processes), and egalitarian (political equality). For this analysis, V-Dem’s electoral democracy index is employed as the foundational concept (Coppedge et al., 2021), with accountability, transparency, and rule of law incorporated as conditions for democratic efficacy.

Regarding democratic effectiveness, Barreda (2011) distinguishes between procedural approaches, aligned with Dahl’s polyarchy, and substantive approaches linking democracy to outcomes like economic development and justice. Morlino (2014) categorizes democratic quality into procedures, content, and results, operationalized through political rights, civil liberties, responsiveness, participation, rule of law, and accountability. Drawing on these frameworks, this study utilizes four World Bank indicators: political stability (perceptions of government destabilization likelihood), rule of law (confidence in societal rules and judicial functionality), governance (quality of public service provision), and vertical accountability (citizen capacity to elect representatives).⁷

Finally, citizen evaluations of democracy are analyzed as a dependent variable. Monsiváis (2019) attributes political dissatisfaction in Mexico to negative perceptions of public services and the effectiveness of the rule of law. Zovatto (2002) emphasizes context-specific analyses of Latin American democratic attitudes, while Pérez-Verduzco (2019) argues that democracy evaluations are central to political culture. Three wvs indicators are employed: government trust (citizen confidence in government), democratic assessment (perceptions of how democratic their country is), and democratic value (importance attributed to democracy).

⁷ Horizontal accountability refers to institutional checks and balances, such as legislative and judicial oversight of the executive branch or countervailing functions exercised by autonomous constitutional bodies.

Methodology and data analysis procedure

As outlined, this article aims to analyze objective and subjective well-being as both dependent and independent variables in their relationship with democracy at a global level.⁸ The empirical analysis follows a quantitative research design, grounded in postpositivist assumptions that reality can be apprehended through empirical measurement (Creswell, 2014). This observational study, distinct from experimental approaches, examines naturally occurring data to evaluate hypotheses (Shadish et al., 2002). A custom database was constructed using secondary sources, including the *wvs*, UNDP, Freedom House, V-Dem, and the World Bank. The dataset integrates variables for well-being and democratic quality, comprising 182 observations across 96 countries from 2004 to 2022.

The analytical procedure unfolds in three sequential stages. First, the relationship between objective well-being and democratic quality is assessed through multiple linear regression models. Objective well-being is operationalized using the HDI, a UNDP composite metric ranging from 0 (minimal human development) to 1 (maximal human development) that aggregates GDP per capita, life expectancy, and educational attainment. Independent variables encompass democratic quality indicators such as Freedom House's Freedom Index (averaging civil liberties and political rights scores), V-Dem's Electoral Democracy Index (0-1 scale), and World Bank metrics for political stability, rule of law, governance quality, and vertical accountability (all scaled -2.5 to 2.5). Each democratic indicator is analyzed in separate regression models to isolate its distinct association with HDI.

In the second stage, subjective well-being becomes the dependent variable, measured through happiness and life satisfaction data from Waves 5 (2004-2009), 6 (2010-2016), and 7 (2017-2022) of the *wvs*. Happiness is gauged via responses to "How happy are you?" on a scale from "not at all happy" to "very happy," while life satisfaction uses "How satisfied are you with your life?" from "not at all satisfied" to "very satisfied". Country-level scores reflect the percentage of respondents selecting the highest category ("very happy" or "very satisfied").⁹ These subjective metrics are then regressed against the same democratic quality indicators used in the first stage.

Finally, the third stage reverses the analytical lens, treating democracy as the dependent variable operationalized through citizen evaluations sourced from the *wvs*. Three metrics are employed: government trust (percentage reporting "a great deal of confidence" in government), democratic assessment (percentage rating their country as "completely dem-

⁸ The operationalization of all variables is detailed in Annex 1.

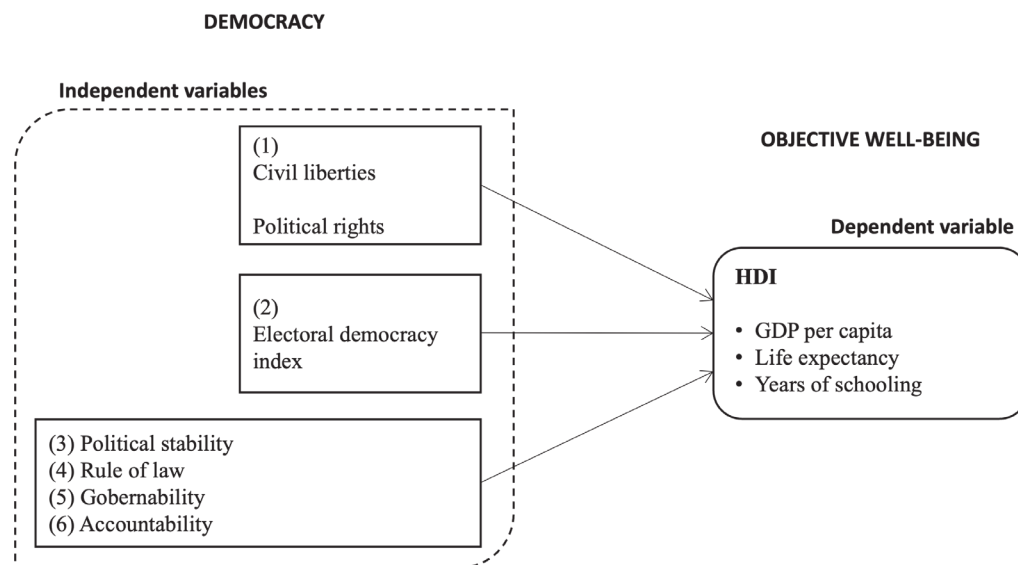
⁹ This calculation method was adopted for two reasons: first, it provides an aggregate measure of all individuals within a country; second, the remaining percentage (100 % minus the percentage of "very satisfied" or "very happy" respondents) represents those who identify as minimally or not at all satisfied/happy. Thus, increases or decreases in the model reflect proportional variations in these categories.

ocratic”), and democratic value (percentage deeming democracy “absolutely important”). Objective well-being (HDI) and subjective well-being (happiness and life satisfaction) serve as independent variables in this phase, allowing the study to interrogate bidirectional relationships between well-being and democratic perceptions.

Empirical analysis

The results of the multiple linear regression models evaluating the effect of democratic quality indicators on human development (with objective well-being as the dependent variable) are presented in Table 1, while Figure 3 graphically illustrates the relationship between the analyzed variables. All models incorporate control variables: the Gini index (to measure inequality), three political variables (parliamentary vs. presidential systems, federal vs. unitary systems, and regime type), and three waves of the wvs (life satisfaction and happiness from Waves 5 to 7, corresponding to 2004-2009, 2010-2016, and 2017-2022) to account for unobserved temporal effects.

Figure 3
 Model of causal relationship between objective well-being and democracy



Source: Authors' elaboration.

Table 1
 Impact of democratic quality indicators on human development

	(1)	(2)	(3)	(4)	(5)	(6)
Freedom	0.00713***					
House	(0.00106)					
V-Dem		0.00192				
		(0.00267)				
Political Stability			0.0723***			
			(0.00780)			
Rule of Law				0.0762***		
				(0.00762)		
Governance					0.0834***	
					(0.00737)	
Accountability						0.113***
						(0.0126)
Gini	-0.00336***	-0.00498***	-0.00248**	-0.0024***	-0.00319***	-0.00233**
	(0.00107)	(0.00127)	(0.000947)	(0.000910)	(0.000832)	(0.000967)
Parliamentary	-0.0185	0.0175	0.0141	-0.0160	-0.0164	-0.0284*
	(0.0185)	(0.0227)	(0.0154)	(0.0152)	(0.0141)	(0.0165)
Federal	0.0102	0.0159	0.0309*	0.0301**	0.0315**	0.00928
	(0.0177)	(0.0221)	(0.0156)	(0.0150)	(0.0140)	(0.0157)
Type of Regime	-0.0887***	0.0674**	0.0298*	0.0217	0.0279**	-0.0952***
	(0.0309)	(0.0303)	(0.0151)	(0.0148)	(0.0134)	(0.0248)
Wave 5	-0.0365*	-0.0234	-0.0361**	-0.0339**	-0.0329**	-0.0292*
	(0.0187)	(0.0228)	(0.0163)	(0.0157)	(0.0146)	(0.0166)
Wave 6	-0.0325*	-0.0265	-0.0297*	-0.0239	-0.0208	-0.0256
	(0.0182)	(0.0220)	(0.0159)	(0.0153)	(0.0143)	(0.0161)
Constant	0.754***	0.918***	0.874***	0.859***	0.866***	0.937***
	(0.0504)	(0.0547)	(0.0394)	(0.0381)	(0.0354)	(0.0400)
Observations	96	95	96	96	96	96
R ²	0.554	0.337	0.659	0.684	0.725	0.648

Note: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. Wave 7 is the reference category and is therefore omitted from the models.

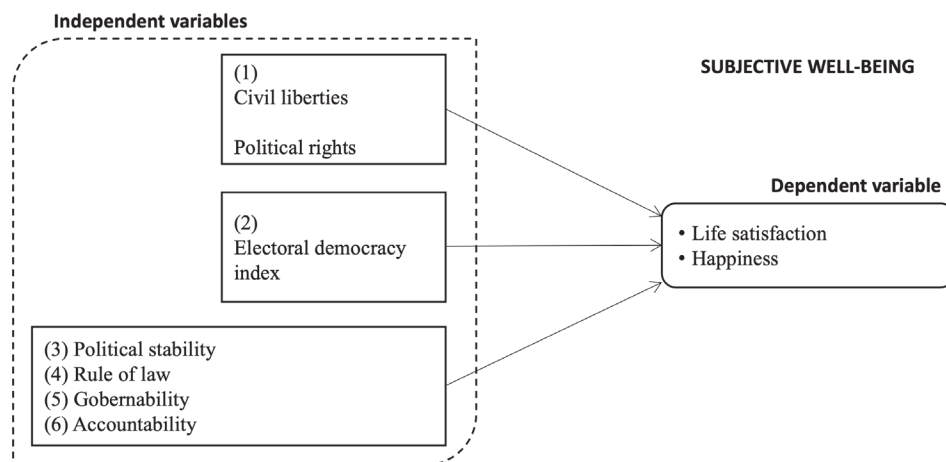
Source: Authors' elaboration.

Models 1 through 6 in Table 1¹⁰ estimate the effect of various democracy indicators on objective well-being. The results align with the article’s central argument. At 99 % confidence level, all democratic quality measures (except V-Dem) exhibit positive effects on objective well-being (measured by HDI)¹¹ when controlling for other variables.¹² This suggests that, on average and globally, higher democratic development correlates with greater objective well-being.

Table 2 presents additional regression models using subjective well-being as the dependent variable (see Figure 4). As shown above, some countries exhibit high economic development yet comparatively low life satisfaction and happiness. These models analyze whether democratic quality indicators influence subjective well-being.

To measure the effect of democracy indicators on subjective well-being (as in Table 1, each variable represents a separate model), the models first use life satisfaction as the dependent variable and democratic quality measures as independent variables.¹³ As shown in Table 2, the impact of democratic quality characteristics on life satisfaction is not statistically significant for any of the variables considered.

Figure 4
 Model of causal relationship between subjective well-being (life satisfaction and happiness) and democracy



Source: Authors’ elaboration.

¹⁰ In Annex 2, we estimate the same models using GDP per capita instead of the HDI as the dependent variable.

¹¹ Note that the Freedom Index by Freedom House ranges from “presence of freedom” to “absence of freedom”. The negative coefficient reported in Model 1 indicates that lower scores on the Freedom Index (i.e., greater freedom) correlate with higher HDI values.

¹² The Polity Index is an exception warranting future research into its constituent variables.

¹³ A critical distinction lies in the fact that objective well-being indicators do not rely on third-party subjectivity, whereas democracy indicators depend on expert assessments, which categorize countries using predefined criteria.

Table 2
 Impact of democratic quality indicators on life satisfaction

	(1)	(2)	(3)	(4)	(5)	(6)
Freedom	-0.00131					
House	(0.00146)					
V-Dem		0.00193				
		(0.00247)				
Political Stability			-0.0156			
			(0.0139)			
Rule of Law				-0.0109		
				(0.0148)		
Governance					0.00218	
					(0.0165)	
Accountability						-0.0130
						(0.0219)
hdi	-0.110	-0.191*	-0.0663	-0.0967	-0.188	-0.118
	(0.119)	(0.0989)	(0.136)	(0.141)	(0.152)	(0.134)
Gini	0.00610***	0.00594***	0.00607***	0.0060***	0.00603***	0.0060***
	(0.00125)	(0.00128)	(0.00125)	(0.00126)	(0.00128)	(0.00126)
Parliamentary	0.0121	0.00194	0.00542	0.00987	0.00554	0.0107
	(0.0207)	(0.0210)	(0.0196)	(0.0203)	(0.0203)	(0.0211)
Federal	0.0261	0.0291	0.0212	0.0232	0.0277	0.0264
	(0.0197)	(0.0204)	(0.0203)	(0.0204)	(0.0205)	(0.0198)
Type of Regime	0.0852**	0.0403	0.0613***	0.0608***	0.0577***	0.0743**
	(0.0360)	(0.0287)	(0.0196)	(0.0199)	(0.0196)	(0.0338)
Wave 5	-0.0329	-0.0345	-0.0315	-0.0332	-0.0367*	-0.0345
	(0.0213)	(0.0212)	(0.0213)	(0.0214)	(0.0215)	(0.0212)
Wave 6	-0.0191	-0.0224	-0.0183	-0.0202	-0.0221	-0.0205
	(0.0206)	(0.0205)	(0.0206)	(0.0206)	(0.0206)	(0.0206)
Constant	-0.00447	0.0455	-0.0655	-0.0382	0.0368	-0.0296
	(0.106)	(0.104)	(0.129)	(0.132)	(0.141)	(0.135)
Observations	96	95	96	96	96	96
R ²	0.438	0.432	0.440	0.436	0.432	0.435

Note: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. Wave 7 is the reference category and is therefore omitted from the models.

Source: Authors' elaboration.

Subsequent models use happiness as the dependent variable, with democratic quality measures as independent variables (each variable again representing a distinct model). Table 3 displays the results of these models. The rule of law has a positive and statistically significant impact on happiness at 95 % confidence level, while governance quality also shows a positive effect on happiness at 99 % confidence level, holding other variables constant. The remaining democratic quality variables do not exhibit statistically significant effects on happiness.

Table 3
 Impact of democratic quality indicators on happiness

	(1)	(2)	(3)	(4)	(5)	(6)
Freedom House	0.000123 (0.00239)					
V-Dem		0.000167 (0.00404)				
Political Stability			0.0183 (0.0229)			
Rule of Law				0.0497** (0.0237)		
Governance					0.108*** (0.0244)	
Accountability						0.0537 (0.0355)
HDI	-0.147 (0.195)	-0.169 (0.162)	-0.267 (0.223)	-0.489** (0.227)	-0.907*** (0.225)	-0.369* (0.217)
Gini	0.00750*** (0.00206)	0.00719*** (0.00209)	0.0074*** (0.00205)	0.0073*** (0.00201)	0.0059*** (0.00190)	0.0075*** (0.00204)
Parliamentary	0.0325 (0.0341)	0.0352 (0.0344)	0.0340 (0.0322)	0.0163 (0.0325)	0.00104 (0.0301)	0.0145 (0.0342)
Federal	-0.00431 (0.0324)	0.00297 (0.0335)	0.00232 (0.0333)	0.0126 (0.0326)	0.0316 (0.0304)	-0.00216 (0.0320)
Type of Regime	0.103* (0.0592)	0.102** (0.0471)	0.102*** (0.0323)	0.0927*** (0.0319)	0.0947*** (0.0290)	0.0386 (0.0547)
Wave 5	-0.0334 (0.0350)	-0.0295 (0.0348)	-0.0386 (0.0351)	-0.0465 (0.0343)	-0.0605* (0.0318)	-0.0398 (0.0344)
Wave 6	0.00588 (0.0339)	0.00552 (0.0336)	0.00201 (0.0338)	-0.00133 (0.0329)	-0.00678 (0.0305)	0.000564 (0.0333)

(continuación)

	(1)	(2)	(3)	(4)	(5)	(6)
Constant	0.0549 (0.174)	0.0852 (0.170)	0.157 (0.211)	0.335 (0.211)	0.693*** (0.209)	0.272 (0.219)
Observations	96	95	96	96	96	96
R ²	0.279	0.266	0.285	0.314	0.411	0.298

Note: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0. Wave 7 is the reference category and is therefore omitted from the models.

Source: Authors' elaboration.

The results in Tables 2 and 3 indicate that, regarding the impact of democratic quality conditions on subjective well-being, no generalizable conclusions can be drawn from the available data. Democratic quality conditions have differentiated effects on life satisfaction (limited or null) and happiness (appreciable only in the case of rule of law and governance). These findings are particularly notable given the extensive literature documenting the positive effects of democratic institutions, procedures, and governance on individuals' subjective well-being (Prati, 2022; Helliwell & Huang, 2006; Ott, 2010; Miller, 2013). However, evidence also exists—equally significant—that individual-level evaluations of democracy differ in their effect on quality of life and subjective well-being compared to country-level regime attributes. In Asian countries, for instance, individual perceptions show a favorable effect on subjective well-being, whereas regime characteristics do not (Sasaoka & Seki, 2011). This underscores the importance of personal experiences and perceptions in understanding how democratic quality translates into subjective well-being.

Finally, objective and subjective well-being are treated as independent variables to assess their impact on citizen evaluations of democracy. Table 4 presents the results of these models. As outlined in the methodology section, the dependent variables include government trust (Model 1), democratic assessment (Model 2), and the importance of democracy (Model 3). The independent variables are the HDI (for objective well-being) and life satisfaction and happiness (as subjective well-being indicators).

Three key findings emerge from this analysis. First, an increase in the HDI negatively affects government trust at 10 % significance level—a result potentially linked to heightened societal demands for transparency, accountability, and public service provision in more developed societies. Second, life satisfaction positively influences democratic assessment and the importance of democracy at 5 % significance level. Third, happiness shows a positive impact on democratic assessment at 5 % significance level.

Table 4

Impact of objective and subjective indicators of well-being on the assessment of the level of democracy

	(1)	(2)	(3)
Variables	Trust in government	Evaluation of democracy	Importance of democracy
HDI	-0.225* (0.130)	-0.0858 (0.0762)	0.175 (0.155)
Gini Index	-0.000395 (0.00179)	0.000231 (0.00106)	-0.00627*** (0.00214)
Satisfaction	0.126 (0.163)	0.248** (0.0959)	0.429** (0.195)
Happiness	0.0752 (0.101)	0.133** (0.0593)	0.105 (0.121)
Parlamentary	0.0117 (0.0252)	0.0104 (0.0148)	-0.0279 (0.0301)
Type of Regime	-0.0190 (0.0257)	-0.00686 (0.0151)	0.0233 (0.0307)
Federal	-0.0127 (0.0355)	0.00218 (0.0209)	0.0630 (0.0424)
Competence	-0.0242*** (0.00588)	0.00224 (0.00345)	0.00533 (0.00702)
Wave 5	0.00493 (0.0264)	-0.0186 (0.0155)	0.0302 (0.0315)
Wave 6	-0.00660 (0.0256)	-0.00968 (0.0150)	-0.0143 (0.0306)
Constant	0.462*** (0.138)	0.0691 (0.0809)	0.381** (0.164)
Observations	92	92	92
R ²	0.461	0.420	0.365

Note: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0. Wave 7 is the reference category and is therefore omitted from the models.

Source: Authors' elaboration.

Discussion

The empirical analysis yields several critical insights. First, we confirm the effect of democratic quality on objective well-being. All democratic quality measures except V-Dem exhibit positive impacts on human development levels. This finding aligns with results from similar empirical studies, which posit that democratic quality sustains long-term economic growth and improves distributive outcomes, thereby enhancing material well-being (Robinson, 2006). Functional democracies foster governmental accountability, transparency, and responsiveness to citizen needs (Bollyky et al., 2019; Miller, 2015). As Przeworski et al. (2000) note, democratic regimes are more likely to endure in economically prosperous societies, suggesting a bidirectional, mutually reinforcing relationship. Beyond economic dimensions, democratic quality creates conditions for higher human development, including improved life expectancy, reduced child mortality, and educational attainment (Sheikhleslami, 2021; Altman & Castiglioni, 2009). However, the relationship between democratic quality and objective well-being is not uniformly positive; its effects may vary depending on a country's economic development level and the specific characteristics of its democratic institutions (Soeparno & Pratomo, 2023; Saha & Zhang, 2017).

Second, democratic quality conditions do not translate clearly into higher subjective well-being. Except for the rule of law and governance quality's impact on happiness, no democratic quality variables significantly affect subjective well-being measures. As noted earlier, this may reflect the disconnect between national-level regime characteristics and individual experiences. While country-level democratic attributes may remain abstract or distant, personal perceptions and experiences of democracy —particularly its tangible aspects— appear more influential (Sasaoka & Seki, 2011). This hypothesis, warranting further research, gains partial support from our finding that two concrete democratic features — rule of law and governance effectiveness— do affect happiness. Thus, it is not a democratic quality in aggregate but specific institutional traits and lived experiences of democracy that may shape subjective well-being.

Cultural factors further mediate the relationship between democratic quality and subjective well-being, particularly in how societies conceptualize happiness, life satisfaction, and their role in guiding life choices. Cultural contexts may obscure the effects of democratic institutions on subjective well-being, suggesting that democracy alone does not guarantee higher happiness but operates through cultural filters (Dorn et al., 2007). Additionally, the specific democratic context —whether consolidated, transitional, or autocratizing— may differentially influence subjective well-being. For instance, the political environment in transitioning democracies could uniquely mediate how democratic institutions affect citizens' happiness and life satisfaction.

Third, and most critically, subjective well-being outweighs objective well-being in explaining citizen evaluations of democracy. Table 4 shows that life satisfaction positively influences both democratic assessment and the perceived importance of democracy, while happiness affects democratic assessment alone. This suggests that individuals' positive evaluations of democracy correlate more strongly with their subjective well-being than with objective living standards (income, life expectancy, or education). In other words, higher objective well-being does not necessarily predict favorable democratic evaluations, but greater subjective well-being does.

This aligns with studies linking democratic satisfaction to general life satisfaction. Individuals in consensus democracies —characterized by inclusivity rather than majoritarian logic— report higher life satisfaction, which in turn shapes their assessments of democratic governance (Owen et al., 2008). Subjective well-being may thus not only color evaluations of government performance but also modulate expectations of democratic efficacy. Similarly, political events, such as presidential elections or acute political conflict, can influence subjective well-being. Pinto et al. (2020) demonstrate that political polarization significantly impacts citizen happiness, which subsequently shapes democratic evaluations. These findings underscore the dynamic interplay between political contexts, subjective well-being, and democratic satisfaction. Given these insights, further research is warranted to explore causal relationships and broader effects of subjective well-being on political attitudes and institutional outcomes.

Conclusion

This article set out to analyze the relationship between objective and subjective well-being, on one hand, and democratic quality and citizen evaluations of democracy, on the other. We engaged with an international political and academic debate that increasingly emphasizes the need to complement assessments of material conditions and economic development with evaluations of subjective well-being and its impact on the functioning of democratic regimes worldwide.

We examined the effect of democratic quality on both objective and subjective well-being across nations and evaluated the impact of subjective well-being on democratic assessments. Our findings reveal that subjective well-being holds significant —and underexplored—weight in shaping these evaluations, independent of countries' socioeconomic characteristics.

This study reflects a comprehensive effort to analyze linkages between individual-level variables (socioeconomic status, happiness, life satisfaction, and democratic perceptions) and national-level political performance. We demonstrate that economic and subjective well-being do not necessarily evolve in tandem or the same direction, though they relate to one another in complex and occasionally paradoxical ways.

The statistical results provide clear empirical evidence that the quality of democratic institutions positively impacts objective well-being, as measured by the Human Development Index (HDI). In other words, democracy, as a political system, contributes significantly, on average, to the material welfare of populations across the countries analyzed.

Regarding subjective well-being—measured through individuals’ self-reported happiness and life satisfaction—our analysis reveals a nuanced relationship with democratic quality. On one hand, the aggregate impact of democratic institutional characteristics on life satisfaction lacks statistical significance (see Table 2), suggesting that a country’s democratic character does not directly shape its citizens’ subjective well-being. However, as shown in Table 3, specific variables such as the rule of law and governance quality exhibit positive and significant effects on happiness. This finding underscores the importance of investigating not only how democratic regimes as a whole influence subjective well-being but also how distinct institutional components differentially affect life satisfaction or individual happiness. These results highlight the need for continued research into the complex interplay between democratic institutions and citizens’ happiness and life satisfaction.

Additionally, this study assessed the impact of objective and subjective well-being on citizen evaluations of democracy. Three key findings emerge: First, higher HDI correlates with reduced government trust, potentially reflecting heightened citizen demands—particularly in societies with greater educational and economic resources—for accountability and transparency. Second, increased life satisfaction corresponds with greater confidence in democracy. Third, higher self-reported happiness positively influences democratic assessments. At first glance, these results suggest that citizens’ happiness and life satisfaction more significantly shape their democratic evaluations than their economic status. However, the pathways linking objective and subjective well-being to democracy are neither linear nor direct; cultural, social, and economic contexts mediate them.

Our findings underscore the relevance of continued national and international research into both individuals’ economic conditions and their subjective perceptions of well-being. Both dimensions are critical to the future resilience and legitimacy of democratic institutions.

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Annex

Annex 1

Objective well-being indicators

Indicator	Definition	Values	Source
GDP per capita	Gross Domestic Product divided by the total population. Measured at constant prices (base year 2010)	Continuous variable. We use the natural logarithm	World Bank
HDI	Human Development Index	Ranges from 0 (lowest human development) to 1 (highest human development)	UNDP

Subjective well-being indicators

Indicator	Definition	Values	Source
Happiness	Degree of individuals' self-reported happiness	Average of respondents who reported being very happy	World Value Survey
Life Satisfaction	Degree of satisfaction with one's life	Average of respondents who reported being satisfied	World Value Survey

Democratic quality indicators

Indicator	Definition	Values	Source
fh_index	Freedom Index: civil liberties and political rights	Average of civil liberties and political rights scores	Freedom House
vdem_electoral	Electoral democracy index	Ranges from 0 to 1 (maximum level of electoral democracy)	V-Dem
political_stability	Measures the perceived likelihood of government destabilization	Ranges from -2.5 to 2.5 (maximum political stability)	World Bank
rule_of_law	Measures the extent to which individuals have confidence in and abide by the rules of society	Ranges from -2.5 to 2.5 (maximum rule of law)	World Bank
gov_effec	Measures the quality of public service delivery and government bureaucracy	Ranges from -2.5 to 2.5 (maximum government effectiveness)	World Bank

(continuación)

Indicator	Definition	Values	Source
voice_account	Measures the extent to which citizens can participate in selecting their government	Ranges from -2.5 to 2.5 (maximum accountability)	World Bank
Transparency	Transparency or Anti-Corruption Index	Ranges from 0 (lowest transparency) to 100 (highest transparency)	Transparency International

Subjective indicators of democratic quality

Indicator	Definition	Values	Source
Trust	Trust in government	Average of respondents reporting high trust in government	World Value Survey
Evaluation	Assessment of how democratic the respondent perceives their country to be today	Average of respondents who answered “fully democratic”	World Value Survey
Importance	Importance citizens attribute to democracy	Average of respondents who answered “absolutely important”	World Value Survey

Control Variables

- 1) World Value Survey Wave: Indicates the specific wave in which data was collected.
- 2) Life Expectancy: Measured in years. Source: UNDP
- 3) Average Years of Schooling: Source: UNDP
- 4) Gini Index: Source: World Bank
- 5) Political System: 1 if parliamentary, 0 if presidential
- 6) Federal System: 1 if federal, 0 otherwise
- 7) Level of Political Competition: This variable combines information from two components: the degree of institutionalization/regulation of political competition, and the extent of governmental restrictions on political competition. Values:
 - a) Repressed competition
 - b) Restricted competition
 - c) Authoritarian-guided liberalization or deepening hegemonic control
 - d) Uninstitutionalized competition
 - e) Gradual transition to regulated competition
 - f) Restricted competition

- g) Factional competition
- h) Political liberalization
- i) Political liberalization (limited coercion)
- j) Institutionalized open participation

Source: V-Dem

- 8) Democracy: 1 if democracy, 0 if autocracy. Source: V-Dem

Annex 2

Impacto de indicadores de calidad democrática sobre el PIB per cápita						
	(1)	(2)	(3)	(4)	(5)	(6)
Freedom House	0.0804*** (0.0122)					
V-Dem		0.0361 (0.0304)				
Political Stability			0.736*** (0.0978)			
Rule of Law				0.953*** (0.0768)		
Governance					1.008*** (0.0768)	
Accountability						1.330*** (0.140)
Gini	-0.0243* (0.0123)	-0.042*** (0.0145)	-0.0170 (0.0119)	-0.0109 (0.00918)	-0.0211** (0.00867)	-0.0116 (0.0108)
Parlamentary	-0.0206 (0.213)	0.342 (0.259)	0.354* (0.193)	-0.0381 (0.153)	-0.0272 (0.147)	-0.156 (0.184)
Federal	0.344* (0.203)	0.392 (0.252)	0.554*** (0.196)	0.595*** (0.151)	0.603*** (0.146)	0.334* (0.175)
Type of Regime	-0.972*** (0.356)	0.665* (0.345)	0.430** (0.190)	0.189 (0.149)	0.292** (0.140)	-1.13*** (0.277)
Wave 5	-0.338 (0.215)	-0.192 (0.261)	-0.325 (0.205)	-0.315* (0.158)	-0.300* (0.153)	-0.255 (0.185)
Wave 6	-0.126 (0.209)	-0.0589 (0.251)	-0.0910 (0.199)	-0.0253 (0.154)	0.0105 (0.149)	-0.0475 (0.180)
Constant	8.132*** (0.581)	9.985*** (0.624)	9.524*** (0.495)	9.258*** (0.384)	9.359*** (0.369)	10.20*** (0.446)
Observations	96	95	96	96	96	96
R ²	0.534	0.325	0.577	0.747	0.765	0.656

In this Annex 2, we also examine objective well-being as the dependent variable, measured through GDP per capita, to assess its relationship with democratic quality (Barro, 1999; Lavín, 2011). We estimate the same models presented in Table 1, but use the natural logarithm of GDP per capita as the dependent variable. The results from Table 1 remain consistent in this annex: democratic quality exerts a significant positive effect on countries' objective well-being, whether measured through the HDI and its three components or solely through income. These results are robust, as we estimate multiple models using different objective well-being indicators as dependent variables and various democratic quality measures as independent variables.