



Beyond GDP : A New Era for Tunisian Well-being

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Economic growth alone does not guarantee well-being. Research in happiness economics, notably the Easterlin Paradox, shows that while higher individual income is associated with greater happiness, long-term national income growth does not automatically translate into higher overall life satisfaction.

Tunisia's well-being challenge is multidimensional. Ranked 113th in the 2024 World Happiness Report, Tunisia's position reflects not only income levels but also the critical role of social support, trust in institutions, freedom of choice, and perceptions of corruption.

Highlights

Social and institutional factors matter as much as GDP. While GDP per capita remains important, evidence indicates that social cohesion, governance quality, and institutional credibility are decisive drivers of perceived well-being.

A structured national response is required. Proposed policy options include establishing a National Well-being Initiative to strengthen data collection, alongside an Anti-Corruption and Governance Reform Package aimed at rebuilding institutional trust.

A local, human-centered approach offers the most practical path forward. The recommended "Quality of Life" Urban and Regional Development Program would empower local authorities to measure and improve well-being using data-driven, holistic tools, supported by collaboration with ITCEQ. This approach provides a realistic and sustainable framework for enhancing well-being across Tunisia.

DECOUPLING ECONOMIC GROWTH FROM WELL-BEING

The concept of well-being is analyzed by various disciplines, ranging from psychology to sociology and economics. From a purely economic perspective, the World Database of Happiness (WDH) counts approximately 17,625 studies conducted on this topic, considering its three definitions: «Subjective well-being», «Life satisfaction», and «Happiness». This expansion of the research field, now known as «happiness economics», is mainly due to the work of Richard Easterlin in his 1974 paper, «Does Economic Growth Improve the Human Lot ? Some Empirical Evidence». By examining data from surveys conducted between 1946 and 1970 in 19 countries, Easterlin highlighted a paradox : within a country, individuals with higher incomes report being happier than those with lower incomes. However, between countries and over the long term, a nation's economic growth is not reflected in the level of happiness reported by its population. This Easterlin Paradox (1974) is the cornerstone of this field of research. It has since expanded to include microeconomic, spatial, and big-data analyses, thanks in part to the development of international databases on well-being.

In Tunisia, there has been little interest in the field of happiness economics. The focus is primarily on how to improve economic growth without considering the Easterlin Paradox, which can be simply summarized by the expression 'money doesn't systematically buy happiness.' The concepts of happiness, life satisfaction, and well-being are, by definition, multidimensional and therefore depend on both objective and subjective factors, which explain their complexity.

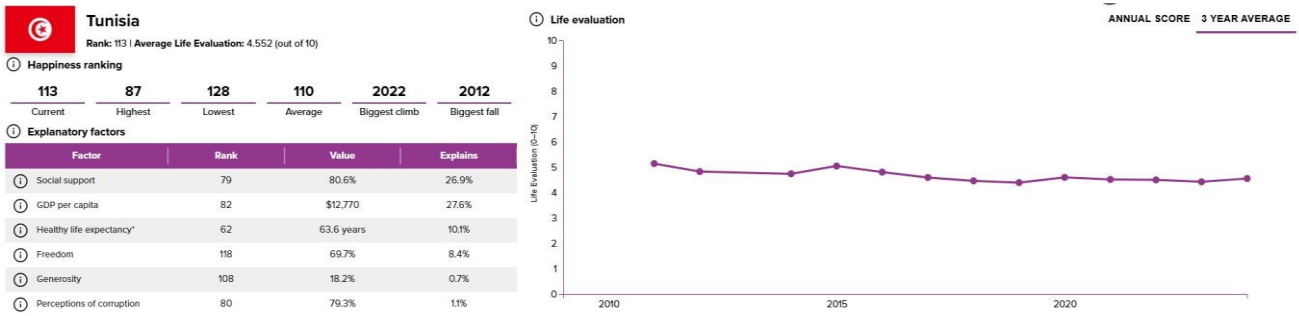
From this perspective, have we asked ourselves the right questions ? What are the determinants of happiness for the Tunisian population ? Are they more subjective or objective ? Considering the socio-economic shocks and transformations of the last decade, how can we improve the well-being of Tunisians ? What are their needs, and which public policies will lead to its improvement ?

THE PARADOX OF HAPPINESS IN TUNISIA : BEYOND ECONOMIC INDICATORS

Tunisia's ranking in global happiness databases is quite low. The Gallup World Poll's «World Happiness Report» (WHR) places Tunisia 113th out of 147 countries in 2024, with a score of 4.552 out of 10. Notably, its most significant drop occurred in 2012, when it fell to 128th place.

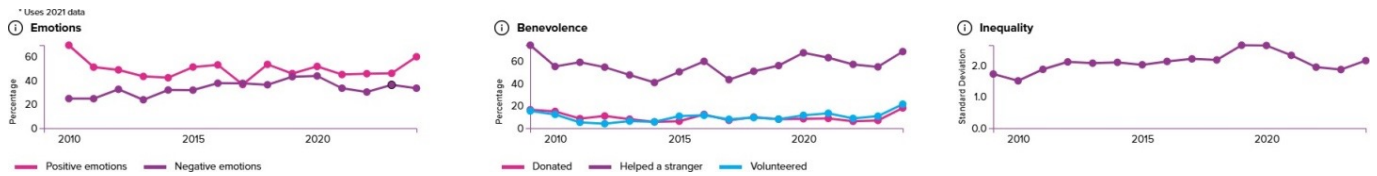
The WHR attributes its happiness scores to six main factors. For Tunisia, GDP per capita accounts for 27.6% of the country's happiness score, closely followed by social support at 26.9%. The remaining factors contribute to a lesser extent : Healthy life expectancy (10.1%), Freedom to make life choices (8.4%), Perception of corruption (1.1%), and Generosity (0.7%). Other contributions to the score are attributed to a decline in positive/negative emotions, a sense of voluntary disengagement, and inequalities. While other macroeconomic databases like the OECD's «How'sLife?» and the European Social Survey exist, Tunisia is not included in the latter, which only covers 30 European countries.

Figure 1 : World Happiness Report Tunisia Profile



Source : <https://data.worldhappiness.report/country/TUN> Figure 2 : Other happiness contributors

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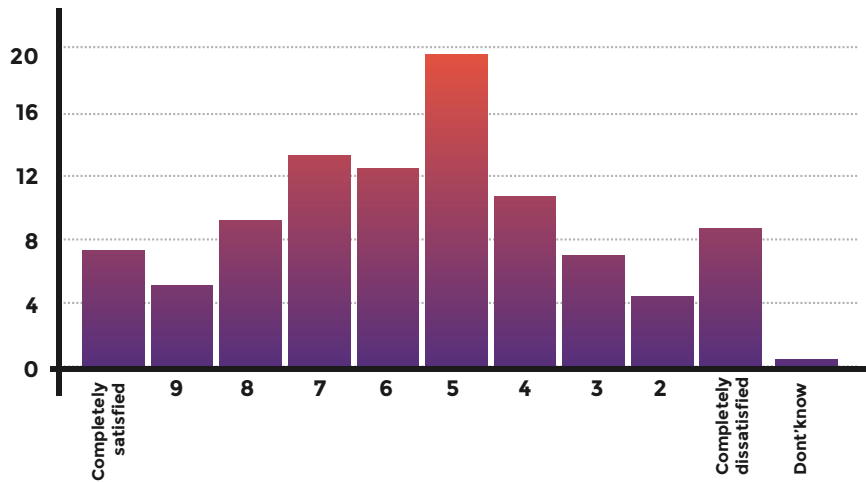


Source : <https://data.worldhappiness.report/country/TUN>

Microeconomic analyses of well-being have undergone an extraordinary methodological expansion thanks to the development of harmonized and longitudinal international surveys such as the European Social Survey and, more broadly, the World Values Survey. Tunisia participates in the WVS, which studies the evolution of values and their impact on the social and political life of countries, as well as including direct questions about happiness and life satisfaction. This survey, conducted among 1,208 Tunisians in 2019, measures the subjective dimension of happiness through life satisfaction. It shows that on a scale of 1 (completely dissatisfied) to 10 (completely satisfied), 46% of individuals surveyed are moderately satisfied, while 20.7% are dissatisfied or completely dissatisfied.

The World Values Survey is the most widely used database in well-being research. However, for the case of Tunisia, several questions arise regarding the representativeness of the population. The most recent survey has a sample of only 1,208 individuals, which does not allow for conclusive findings at the national level.

Figure 3 : Distribution of Happiness Perception (World Values Survey)



Source : <https://www.worldvaluessurvey.org/WVSONline.jsp>

A Holistic Framework for Understanding Well-Being : Integrating Economic, Social, and Individual Factors

A persistent challenge in all countries is the accurate measurement of well-being, which hampers the implementation of effective public policies aimed at improving it. Further more, the public policies enacted to date have primarily focused on economic growth, which only partially accounts for the subjective well-being of the population.

Macroeconomic factors like national wealth enable countries to meet basic needs, such as access to health care, education, infrastructure, and other essential public services necessary for a widespread minimum level of well-being. Conversely, macroeconomic imbalances, particularly unemployment and inflation, lead to a decline in public well-being. Other key social indicators should also be considered in the macroeconomic analysis of well-being.

A society characterized by individualism, a disregard for human rights, and high levels of corruption is likely to negatively impact the well-being of its population. The most fundamental individual characteristics—such as age, gender, health status, marital status, and professional situation— also influence well-being, though this impact varies over time.

Beyond a Utilitarian View of Well-Being

While the traditional utilitarian perspective focuses on the satisfaction of needs, significant attention is also given to social, cultural, and religious dimensions of well-being. In his 1976 work, *The Joyless Economy*, Tibor Scitovsky differentiates between two concepts: «Comfort» provides a feeling of passive, short-term well-being, and «Stimulation» is the joy derived from novelty, which creates a deeper, more lasting effect on well-being. The Nobel laureate in economics, Amartya Sen, co-chaired the Stiglitz-Sen-Fitoussi Commission’s report on measuring economic performance and social progress. This report advocates for moving beyond

GDP to include cultural dimensions, specifically through a «Capabilities» approach. In this framework, happiness is not reduced to income but is instead viewed as the fulfillment of an individual’s potential.

Beyond the individualistic approach to well-being, John Helliwell, a leading figure in the economics of happiness, demonstrates that social trust is one of the most significant determinants of happiness. Both institutional trust and interpersonal trust reduce transaction costs, promote reciprocity, foster cooperation, innovation, and consequently, economic growth and happiness.

Current concerns regarding climate change highlight the impact of air quality and global warming on individual well-being. In contrast, digitalization has ambiguous effects : during the health crisis, it offered solutions to mitigate feelings of isolation, but under normal circumstances, it has often intensified them. How to quantify the qualitative aspects of well-being ?

In response to this multidimensionality, recent institutional initiatives have adopted an innovative approach to identifying the determinants of well-being, grouping them under the single umbrella of «quality of life.» The Social Progress Index (SPI) is a comprehensive framework that measures a country’s social and environmental performance. It’s designed to be a complement to, and a way to look beyond, traditional economic indicators like GDP per capita. The SPI focuses exclusively on non-economic factors that affect people’s quality of life.

Figure 4 :SPI Framework

Basic Human Needs	Foundations of Wellbeing	Opportunity
<p>Nutrition and Basic Medical Care Deaths from infectious diseases Child mortality Child stunting Maternal mortality Nutritional deficiencies Diet low in fruits and vegetables</p> <p>Water and Sanitation Improved sanitation Improved water source No access to a handwashing facility Deaths from unsafe water, sanitation and hygiene</p> <p>Shelter Deaths from household air pollution Access to electricity Prevalence of cooking with coal/biomass</p> <p>Personal Safety Interpersonal violence Deaths from road injuries Political killings and torture Intimate partner violence against women Political violence</p>	<p>Access to Basic Knowledge Population with no education Equal access to quality education Gender parity in basic education Mean years of schooling</p> <p>Access to Information and Communications Internet users Mobile and landline telephone subscriptions Alternative sources of information</p> <p>Health and Wellness Life expectancy at 60 Premature deaths from non-communicable diseases Equal access to quality healthcare Universal health coverage</p> <p>Environmental Quality Deaths from outdoor air pollution Deaths from lead exposure Particulate matter (2.5) pollution Species protection</p>	<p>Personal Rights Access to justice Freedom of religion Political rights Property rights for women Freedom of assembly Freedom of discussion</p> <p>Personal Freedom and Choice Satisfied demand for contraception Public sector corruption Early marriage Vulnerable employment Freedom of domestic movement</p> <p>Inclusiveness Equal protection of social groups Equal access to power Power distributed by sexual orientation Access to public services distributed by social group</p> <p>Access to Advanced Education Respect for academic freedom Population with advanced education Years of tertiary schooling Gender parity in advanced education</p>

Source : <https://doi.org/10.1080/13645579.2025.2486264>

The Social Progress Index highlights that economic performance alone does not determine social outcomes. Countries with similar levels of GDP per capita can have vastly different SPI scores, demonstrating that economic growth doesn't automatically translate to social progress. Typically, Nordic countries such as Norway, Denmark, and Finland consistently rank at the top due to their strong performance across all three dimensions, particularly in social support systems, universal healthcare, and education. According to the 2024 Social Progress Index (SPI) report, Tunisia ranks 91st out of 170 countries with a score of 65.53. It performs relatively well in basic human needs and foundations of Well-being, with good scores in areas like access to basic medical care, water, and sanitation. However, its performance in the opportunity dimension, which includes personal rights, freedom, and inclusion, has shown a concerning decline.

At a more granular level, the “Quality of Life Initiative” is a flagship program launched by the United Nations Human Settlements Programme (UN-Habitat) to redefine how cities measure and improve the well-being of their residents. It goes beyond traditional economic metrics like GDP, focusing on a more holistic, people-centered approach to urban development. The initiative's primary goal is to provide local governments with a practical tool to measure what truly matters to their citizens.

The evidence-based Decision-Making approach provides a comprehensive data set to help policymakers make informed decisions that lead to tangible improvements in urban life. The index evaluates urban well-being across nine essential domains, providing a comprehensive «pulse check» of a city's health. These domains inspired from the SDGs include : Basic Services & Mobility (SDG 16, 11, 9 and 16), Culture & Recreation (SDG 11), Economy (SDG 8 and 1), Education (SDG 4), Environment (SDG 11, 15, 11 and 13), Governance (SDG 10 and 16), Health & Well-being (SDG 3), Housing (SDG 11), and Social Cohesion (SDG 16).

HUMAN-CENTERED PUBLIC POLICIES TO EFFECTIVELY ENHANCE HAPPINESS IN TUNISIA

To address this, Tunisia needs to implement a multi-pronged strategy that moves beyond economic indicators to focus on the qualitative aspects of its citizens' lives. Here are three key policy options:

The National Well-being Initiative

This policy option involves creating a national body or initiative dedicated to measuring and improving well-being. This would require the development of a longitudinal and representative national survey to gather accurate data on the subjective and objective determinants of happiness for the Tunisian population, to be complemented by the actual regional development index. This survey would be modeled with a larger representative sample at the local level, which allows for the identification, with a multi-level analysis, of disparities among localities, to consider the urban-rural aspects of needs, and to identify wellbeing determinants with spillover effects. The initiative would be overseen by a multi-disciplinary commission comprising economists, psychologists, sociologists, and policymakers.

Advantages : this approach provides a data-driven foundation for policy-making. It would allow the go-

vernment to identify the specific needs of different demographic groups and regions, leading to highly targeted and effective interventions. It would also increase public accountability by setting measurable goals for improving well-being.

Disadvantages: the initial setup and ongoing maintenance of a large-scale, longitudinal survey are expensive and time-consuming. The results may take several years to become fully actionable, and there could be public skepticism about the government's focus on «happiness» over traditional economic issues.

The Anti-Corruption and Governance Reform Package

Given that the perception of corruption is a significant negative contributor to Tunisia's happiness score, a targeted policy package aimed at improving governance and increasing transparency is crucial. This approach is directly linked to John Helliwell's findings that social and institutional trust are major determinants of happiness. By increasing trust, the government can foster a more cohesive society, reduce transaction costs, and improve overall well-being. This would include the following actionable :

Strengthening anti-corruption laws and enforcement mechanisms.

- ★ Implementing digital governance platforms to reduce bureaucratic red tape and opportunities for corruption.
- ★ Promoting civil society participation in government oversight.

Advantages: this policy option addresses a core issue identified in the WHR and the SPI: the decline in opportunity and institutional trust. It has the potential for immediate and tangible effects on public perception and trust in government. This approach is also cost-effective and can be integrated into existing government reform efforts.

Disadvantages: It is politically sensitive and may face resistance from vested interests. The success of this policy depends on the political will to implement and enforce strict anti-corruption measures.

The «Quality of Life» Urban and Regional Development Program

This option proposes adopting a localized, holistic approach to development by implementing the UN-Habitat's «Quality of Life Initiative» in collaboration with local authorities. This program would empower local powers to measure well-being across the nine essential domains and use this data for local targeted human-centered policy. For example, a city with a low score in «Social Cohesion» could dedicate funding to build public parks and community centers, while a city with a low score in «Basic Services» could prioritize infrastructure projects.

Advantages: this policy directly addresses the multidimensional nature of well-being and provides a framework for addressing disparities at the local level. It is highly flexible and can be adapted to the specific needs of different regions. It also promotes citizen participation and decentralization.

Disadvantages: requires significant investment in local government capacity building and data collection infrastructure. Implementation may be inconsistent across different municipalities, leading to unequal outcomes. The impact on national-level happiness scores may be gradual.

New Paradigms for Tunisian Public Policy

Implemented by UN-Habitat, the Quality of Life Initiative is a global effort focused on one thing : helping cities understand and improve well-being. Instead of relying on traditional data, the initiative uses a human-centered approach to uncover what people truly value, giving cities a more accurate picture of their residents' lives. The initiative invites cities to conduct a joint assessment to pinpoint key areas for monitoring and improvement. Including residents in the process, it provides new insights and knowledge that help create more resilient, compassionate, and thriving communities. This innovative approach leads to better urban governance, design, and investment, paving the way for a more inclusive and prosperous future for everyone.

The Quality of Life Initiative launches an annual call for applications, inviting local authorities to implement its program with the support of UN-Habitat. The program is guided by the Quality of Life Guidelines. A collaboration with the Tunisian Institute of Competitiveness and Quantitative Studies (ITCEQ) would be valuable. Since the ITCEQ already manages the Regional Development Index, it could provide crucial data at the parish (or «commune») level, which would significantly enhance the program's effectiveness. This partnership would ensure a more data-driven and precise approach to improving urban well-being.

CONCLUSION

Well-being, with all its components—including happiness, subjective well-being, and life satisfaction should be a national priority. While partially explained by GDP, a flourishing population has other, more subjective, needs, such as social cohesion and a sense of belonging to a society that fosters trust and transparency. Further more, the current economic climate and the urgency of climate change mean that well-being also depends on the environmental situation. The most effective approaches to improving well-being are those that adopt a bottom-up strategy by involving communities. This highlights the importance of addressing the concept's multidimensionality and the necessity of using granular data to accurately reflect information. To save time and leverage existing structures, a strategic partnership with UN-Habitat to implement the Quality-of-Life Initiative would provide the necessary framework to establish the pillars for improving well-being in Tunisia.

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