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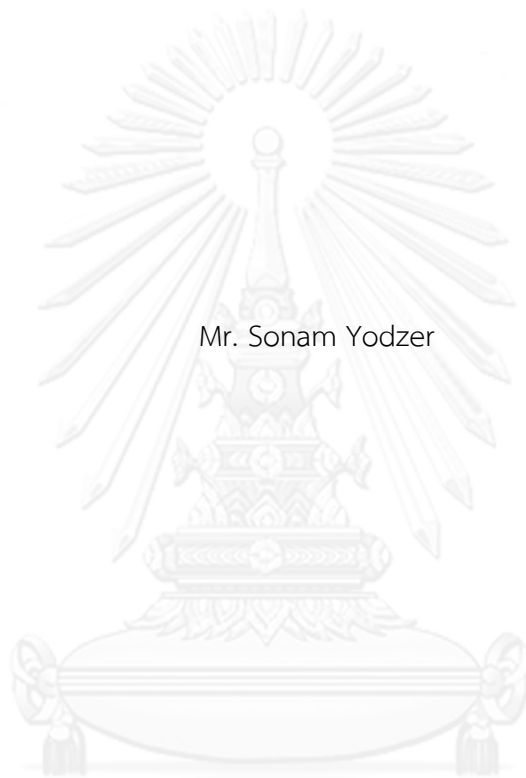
บทคัดย่อและแฟ้มข้อมูลฉบับเต็มของวิทยานิพนธ์ตั้งแต่ปีการศึกษา 2554 ที่ให้บริการในคลังปัญญาจุฬาฯ (CUIR)

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URBAN POVERTY AND HAPPINESS: A CASE STUDY FROM THIMPHU, CAPITALCITY OF
BHUTAN.

Mr. Sonam Yodzer



จุฬาลงกรณ์มหาวิทยาลัย

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วัตถุประสงค์ของการศึกษานี้ ได้แก่ การหาความสัมพันธ์ระหว่าง ความสุข และความยากจน ในกลุ่มผู้อยู่อาศัยในทิมพู เมืองหลวงของภูฏาน ถึงแม้ว่า อัตราความยากจนโดยรวมของภูฏานจะลดลงอย่างมาก จาก 31% (2003) เป็น 12 % (BLSS 2012) แต่อัตราความยากจนนี้ยังนับว่าสูงอยู่มาก ความยากจนในภูฏานเป็นสิ่งที่พบเห็นได้มากในชนบท ทั้งนี้ ความยากจนในชุมชนเมืองมีผู้ให้ความสนใจทำการศึกษาน้อย ถึงแม้ว่าชุมชนเมืองจะมีการขยายตัวอย่างรวดเร็วในช่วงที่ผ่านมา อัตราความยากจนในชุมชนเมืองอยู่ที่ 4.2 % ซึ่งอาจดูว่าไม่มากนัก แต่ความสัมพันธ์ระหว่าง ความสุขและความยากจนในชุมชนเมืองยังไม่เคยได้รับการศึกษาวิเคราะห์มาก่อน งานวิจัยนี้วิเคราะห์ปัจจัยที่กำหนด ความสุขของผู้อยู่อาศัยในทิมพู โดยใช้ สถิติเชิงพรรณนาเป็นส่วนใหญ่และใช้การวิเคราะห์ถดถอยแบบ ordered probit ข้อมูลที่ใช้มาจากการสำรวจความสุขมวลรวมแห่งชาติ (Gross National Happiness: GNH 2010) ซึ่งเป็นข้อมูลitudinal จากการศึกษาเก็บข้อมูลในปี 2010 โดยมีกลุ่มตัวอย่างเป็นตัวแทนในระดับเขตและระดับภูมิภาค การสำรวจใช้แบบสอบถาม GNH ซึ่ง รวบรวม ข้อมูลเกี่ยวกับภาพรวมของ คุณภาพชีวิตของชาวภูฏาน การสำรวจรวบรวมข้อมูลจากผู้ตอบแบบสอบถาม 7142 คน โดยขนาดของกลุ่มตัวอย่างของทิมพู ได้แก่ 407

ข้อค้นพบสำคัญที่ได้จากการวิเคราะห์นี้ ได้แก่ ระดับรายได้ที่แตกต่างกันมีผลกระทบต่อระดับความสุขอย่างมีนัยสำคัญ ผู้ที่มีรายได้สูงที่อาศัยอยู่ในเมืองเป็นกลุ่มที่มีแนวโน้มที่จะมีความสุข บุคคลที่มีการศึกษาระดับอุดมศึกษาเป็นกลุ่มที่มีความสุข เมื่อเทียบกับกลุ่มที่ไม่ได้รับการศึกษา สำหรับปัจจัยทางด้านประชากร ผู้ที่มีสถานภาพหย่าร้าง มีโอกาสที่จะมีความสุขน้อยเมื่อเทียบกับผู้ที่เป็นโสด

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ปีการศึกษา 2556

ลายมือชื่อนิติ
.....

ลายมือชื่อ อ.ที่ปรึกษาวิทยานิพนธ์หลัก

5586856051 : MAJOR DEMOGRAPHY

KEYWORDS: HAPPINESS / INCOME / URBAN POVERTY / URBAN DWELLERS / RURAL DWELLERS

SONAM YODZER: URBAN POVERTY AND HAPPINESS: A CASE STUDY FROM THIMPHU, CAPITALCITY OF BHUTAN.. ADVISOR: PATAPORN SUKONTAMARN, Ph.D., 64 pp.

The objective of this study is to investigate the relationship between happiness and poverty among dwellers in Thimphu, capital city of Bhutan. Though there is some drastic drop in overall poverty rate from 31% (2003) to 12% (BLSS 2012) the rate is still alarmingly high. Poverty in Bhutan is a rural phenomenon and much less attention has been paid to emerging urban poverty despite rapid urbanization taking place so rampantly over the years. Though the urban poverty rate which is 4.2% is insignificant in figure but the linkage between happiness and urban poverty was never known. This study analyzes the factors that determine the happiness of dwellers in Thimphu using mostly descriptive statistics, and ordered probit regression. Data used is the Gross National Happiness Survey (2010) secondary data, a survey carried out in 2010 with representative samples taken at district and regional levels. The survey was administered using the GNH questionnaire which gathered data on a comprehensive picture of the wellbeing of Bhutanese. The survey gathered overall data from 7142 respondents. Sample size of Thimphu district is 407.

The main findings from the analysis are that different income levels have significant impact on happiness level. Those with high income are happy urban dwellers. Individuals with college education are happy compared to no education groups. For the demographic factors, divorced people are found less likely to be very happy compared with those who are single.

Field of Study: Demography

Student's Signature

Academic Year: 2013

Advisor's Signature

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DEDICATION

By the gracious bless of the almighty “Triple Gem” (Buddha, Dharma, Sanga), I succeeded in dream of writing this research paper without any mental and physical distortion during the time spent undertaking the course in Thailand at least for me though I had to face the greatest tragedy of losing both of my parents at a time back at home. Firstly I would like to dedicate this small piece of accomplishment to all my well-wishers including my King, Country and the People of Bhutan. Secondly I shall always remain humbled and grateful to all my Bhutanese and some Non Bhutanese teachers of Bhutan who taught me from Kindergarten to College level in Bhutan. Thirdly I would like to solely dedicate this paper to my both late beloved parents who expired unexpectedly both at a time while in verge of completing this course in January fifth 2014. I also would like to dedicate this research paper to my spouse and son who remained away and apart from me during my time spent in Thailand.

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ACRONYMS

BLSS: Bhutan Living Standard Survey.

GDP: Gross National Product.

GNH: Gross National Happiness.

GNHC: Gross National Happiness Commission (Planning Commission)

GSS: General Social Survey.

IDA: International Development Association.

IMF: International Monetary Fund.

MDG: Millennium Development Goal.

MoWHS: Ministry of Works and Human Settlement.

NFU: National Farmer Union.

NSB: National Statistical Bureau.

NU: Ngultrum ;Bhutanese currency

ONS: Office of National Statistics.

PGAS: Pew Global Attitudes Survey.

PHCB: Population and Housing Census.

PIH: Permanent Income Hypothesis.

PRSP: Poverty Reduction Strategy Plan.

RGoB: Royal Government of Bhutan.

TCDSP: Thimphu City Development Strategy Plan.

UK: United Kingdom.

UN: United Nation.

UNFPA: United Nations Fund For Population Activities.

US: United States.

Limitations

The relationship between urban poverty and happiness in Bhutan has never been studied in the past. Very few studies investigated the relationship between poverty and happiness. As a result there is hardly any literature on urban poverty and happiness available for reference to support the study of this kind. GNH data was collected by Center for Bhutan Studies (CBS) and their purpose or intent of the research was found different from this study. As a result this study has some limitations with the dataset as well as with the availability of literatures for the unique new attempt made to study something which is less known and less cared in Bhutan.

CHAPTER I

INTRODUCTION

1.1 Background of the study

Though the world is developing so rapidly with so many sophisticated technological advancement and economic development but there is also contradiction. Poverty and happiness are contradictory. Without eradication and reduction of poverty, happiness can never be maximized. Especially in Asia it is noted that now poverty is no longer becoming rural phenomenon. Though there are some large cities in Asia and Pacific region, it is still least urbanized in the world. Therefore urban transition will continue and majority of the population will be living in urban areas. The highest urban population growth rates are found in the least developed countries (ESCAP, 2012).

Urban poverty can have various dimensions ranging from income poverty, food and shelter insecurity, health and education insecurity, tenure insecurity, financial insecurity, personal insecurity, political and social exclusion (Batra, 2013). Urban poverty usually can be defined in two ways, one as an absolute standard based on minimum amount of income to sustain a healthy life and to live minimally comfortable life, the other one is a relative standard based on average standard of living in the nations (Li, 2013).

Now poverty is becoming urban phenomenon rather than rural due to rapid urbanization especially in developing states in Asia and Pacific regions. Unless urban poverty is addressed, continued urbanization will result in increase in urban poverty and inequality (ESCAP, 2012).

In the recent years, figures have shown that poverty in Bhutan has reduced drastically from 31% in 2003 to 12% in 2012, Poverty Analysis (Report, 2004). But one can't deny the fact that there is no longer prevalence of poverty in Bhutan. Poverty, whether it is an urban or rural phenomenon, it still remains on the top of every

agenda and strategy of development based on the principles of holistic development called GNH (Gross National Happiness).

GNH survey 2010 showed that happiness achievement in Bhutan is only 41% and 59% are not happy. In order to achieve happiness, poverty must be further reduced. Though Thimphu town is socio-economically developed regions in Bhutan, the cost of living has been increasing drastically over the years. As a result one can expect urban destitute especially in the case of low income dwellers in Thimphu city.

“The study carried out by the ministry of communications and the central statistical organization of Bhutan along with a Danish consultancy firm states that migrants from rural areas constitute the bulk of the poor and low-income group in urban areas. The draft report highlights the high rate of rural urban migration, shortage and rising cost of land and housing, and lack of sufficient urban services as conditions that breed urban poverty. According to the report, the urban poor are also vulnerable to eviction and loss of livelihood” **Contributed by KUENSEL, Bhutan's National Newspaper Nov 15th 2002.**

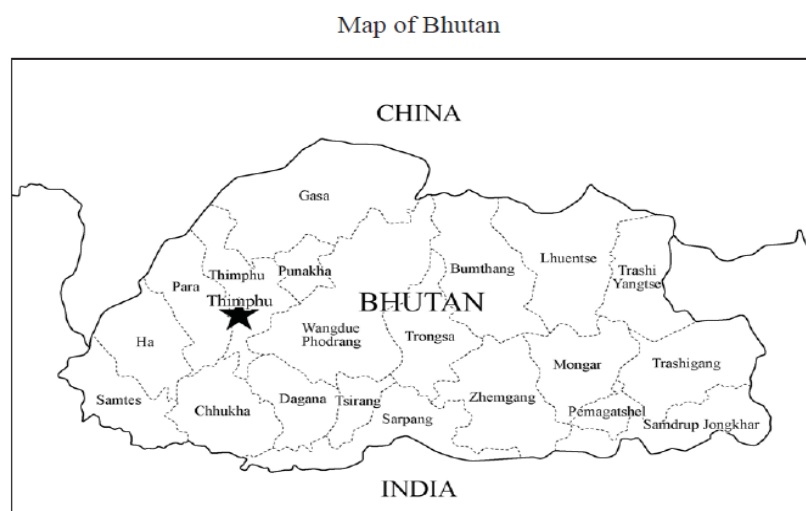
The quote from the above Bhutanese newspaper reveals the prevalence of urban poverty since 2002, but not much emphasis has been given to urban poverty which may be mainly because of the insignificance in size. The impact on happiness by urban poverty was never known or studied. In Bhutan over the years most of the plans and policies remained diverted only to rural poverty reduction. But nobody questioned whether the small portion of urban poverty can also determine the overall achievement of happiness. The relationship between urban poverty and happiness is not known in Bhutan.

There is no immediate solution to alleviate poverty. The issues of poverty can be tackled only through poverty reduction strategies with long term plans and policies.

As indicated by the following map Figure 1 Thimphu capital city lies somewhere in the western part of Bhutan. Thimphu city has a distinct character unlike other cities in the world because Thimphu city has both urban and rural parts with demarcation made by Thimphu city boundary. The residents who falls outside the Thimphu city's

official boundary is treated as rural part though some location falls quite nearby Thimphu city. The current population of Bhutan is 733,004 projected by the office National Statistical Bureau of Bhutan in 2013.

Figure 1 Map of Bhutan



1.2 Problem Justifications.

Poverty reduction for Bhutan has been given highest accord as a holistic approach of development through Gross National Happiness philosophy. Poverty in Bhutan is a rural phenomenon but the urban poverty is also emerging with rapid pace of urbanization. More recently (Chandy, 2011) consultant for the UN system in Bhutan reported that urban poverty is increasing with financial access becoming a serious issue and there is pressing need for data and information on urban poor. The relationship between urban poverty and happiness is less known in Bhutan. It is evident from the literature and data availability where by rare attempt was made to study the relation between happiness and poverty, though many tried to study poverty and happiness in separate form.

Happiness is a core development philosophy of Bhutan. His Majesty the Fourth King Jigme Singye Wangchuk of Bhutan has initiated this unique development philosophy in early 1980's. It is underlined by four main pillars: which is 1) Equitable socio-economic development 2) Conservation of environment 3) Preservation of culture 4) Promotion of good governance. These are guiding principles for development. Uniquely, the philosophy pursues forms of well-being besides material comfort. Unlike GDP, this peculiar concept of GNH has many more dimensions than those associated with GDP, and that development should be treated as a process that seeks to maximize happiness rather than only focus on economic growth. The concept emphasizes on the individual at the center of development efforts, and it identifies that the individual has material, spiritual and emotional needs. Based on basic 4 principles of GNH, 9 domains were introduced in 2008.

The nine GNH domains are 1)Psychological wellbeing 2)Community vitality 3)Health 4)Education 5)Standard of Living 6)Good Governance 7)Cultural Diversity 8)Time Use 9)Ecology. Under the nine domains, now we have 72 happiness indicators. Therefore GNH strategy now claims to be multidimensional approach of development in Bhutan.

The income falls under the domain of “Standard of Living.” Income is one of the key aspects to determine the overall achievement of GNH as a guiding philosophy. Income is also one of the factors which determine poverty.

The total population in Thimphu city has gradually increased from 98,676 in 2005 to 106,568 in 2011 as shown in Table 1

The above quote also reveals and provides a clear indication that urban poverty has been emerging in Bhutan. But not much attention has been received like that of rural poverty in Bhutan from policy makers.

Table 1 *Source: Annual Thimphu Dzongkhag Statistics.*

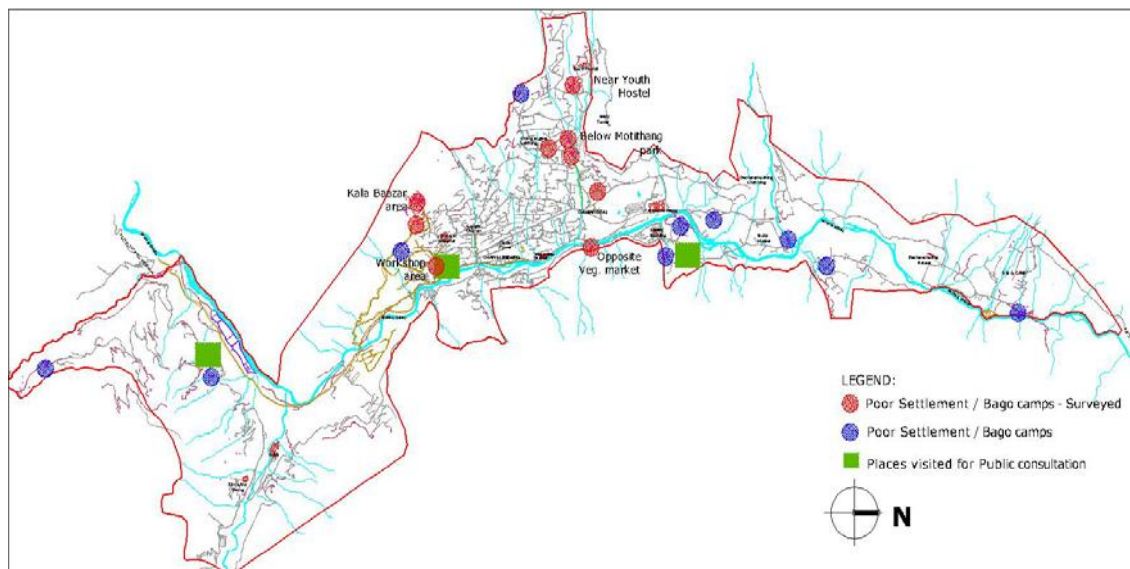
Population density and Sex Ratio, Thimphu, (2005-2011)

Details	2005	2006	2007	2008	2009	2010	2011
Population(Number)	98,676	95,107	97,326	99,587	101,880	104,217	106,568
Population density (Person per sq.km)	48	46	47	48	49	50	52
Population Sex ratio	118	119	118	118	118	117	117

Some squatter settlement or prevailing slum areas in Thimphu city is clear evidence or indicators of urban poverty. The following Figure 2 shows the location of poor settlement within Thimphu city in different directions. Places which identified as poor settlement are, for example Kala Bazaar, Motithang, the area opposite to Sunday vegetable market.

Figure 2 Geographical location of Slums in Thmphu Capital city

Sourc: Thimphu City Development Strategy 2008, MoWHS.



As per the TCDS report approximately there are 800 to 2900 households surviving just on the poverty line (TCDS, 2008). Those people can be the vulnerable group of urban dwellers. Findings of the report in 2008 reveals that the number of poor and vulnerable may lie between 4 -12 percentage which translates in to about 4800-14400 people. The indicator such as low income dwellers is used as proxy from secondary quantitative data to establish the link between happiness and urban poor. Therefore prevalence of slums and low income group of urban dwellers are indicators of vulnerable group in Thimphu city. (some picture evidences of slums shown in appendix)

As described earlier in the preceding, income is one of the key factors which determine the livelihood. Most commonly used scale is the poverty line to measure the poverty. The poverty line of Bhutan is Nu 1,704.84 (US \$=27.5) (PAR, 2012). However, the dataset showed that the minimum monthly income of low income urban dwellers is Nu. 2500 (US \$=40) marginally above poverty line of Bhutan. No one is below poverty line. Therefore this paper focuses on the relative poverty.

1.3 Research question.

- What factors are correlated with happiness of people in Thimphu? Does income affect happiness in the same way in the case of rural and urban dwellers in Thimphu?

1.4 Objectives of the study.

- To determine whether the level of happiness differs between different income groups living in Thimphu. (Defining income groups here as high, medium and low income groups).
- To determine whether the level of happiness differs between those living in urban and rural areas of Thimphu.
- To determine the factors which are correlated with happiness among those living in Thimphu.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction.

Many studies were done on urban poverty. The studies of urban poverty and happiness are briefly discussed below. Poverty and happiness are found to be contradictory be it rural or urban phenomenon. Unless there is reduction in poverty, there is no way to maximize happiness.

2.2 Some studies of poverty.

Poverty be it rural or urban phenomenon, it is widely studied subject. Some previous researchers suggest that poverty has a strong negative impact on psychological wellbeing. Poverty reduces the psychological wellbeing (Chiara Seghieri, 2006). The study on poverty also reveals that to define and understand poverty involves complex issues be it in the urban or in rural areas.

Due to unemployment, crime victimization, living with chronic strains, economic hardships and job satisfactions, the poor in urban are more likely than others to be exposed to stressful life. (Paul, 2009). Why inner city poverty is difficult to understand because of it's multidimensional, extraordinarily complex nature. For instance, poverty perspective differs for different people. From the economist perspective, it can be the matter of human capital including incentives, labor markets, productivity and choice. Whereas, sociologists and anthropologists, they may tend to focus on social status and relation, behavior, and culture. Issue of social psychologist is all about self-image, group membership, and attitudes. What political scientists ask is the emphasis on the group power and access to collective resources (Teitz, 1998).

The urban poor face challenges of low skills, low wages, unemployment and under employment, a lack of social insurance and un satisfactory working conditions. Too much dependence on the cash economy is the reason why urban poor are particularly vulnerable to shock (Schuler, 2004). Urban poverty has been identified as

one of the social global issues. The UN estimated that the global urban population will grow from 3.3 billion people in 2008 to almost 5 billion by the year 2030 (UNFPA, 2007). Past studies showed that in cities across the globe, millions of people exist in desperate poverty without access to adequate shelter, clean water, and basic sanitation. Some of the key factors that the urban dwellers makes vulnerable are environment degradation and overcrowding. This makes urban poor particularly vulnerable to the spread of diseases. For illegally occupying the government land and building squatters, the urban poor remain invisible to their governments. As a result there is no attention received from government to support to the need of urban poor. Urban poverty has been the subject of sociological and political debate for more than a century. Due to dramatic concentration of urban poverty it gained renewed significance and interest. In recent decades, there has been debate over the consequences, solution and cause of urban poverty (Curley, 2005)

For the first time, the year 2007 marked the turning point in human history noticing the rural and urban population equilibrium (Bertucci, 2006). Asia and Africa will accomplish urban transition by 2030. Nearly one third of the world population, approximately 1 billion lives in slums over the globe which indicates the prevalence of urban poverty.

One of the key indicators of rising urban poverty is growth of slums. More than ninety percent of slums are found in developing countries. Slum dwellers are not only poor residents of cities, but they do represent a clustering of living conditions within a city. As urbanization continues, even if the relative levels of urban poor remain constant, the absolute number of people living in poverty in cities will rise since urban population is projected to increase. Poverty now is set to become an increasing urban phenomenon.

2.3 Defining and measurement of urban poverty.

The UN International Poverty Centre, based in Brazil, defines poverty as “a complex set of deprivations in many dimensions that cannot be determined on a basis of low level of income” (Ravallian, 2007) defines urban dwellers surviving on less than 2 \$ a day. Most commonly used is poverty line. The calculation of poverty line varies country to country due to different socio economic status and currency. The World Bank defines poverty as follows

“Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time.” (Brunswick, 2009),World Bank.

Poverty can be of two categories absolute and relative poverty. In the case of absolute poverty it is defined as the complete lack of resources to sustain life with absorption of all income, a live on razor’s edge of existence. Relative poverty means relatively impoverished with average living standard requiring more spending or having not enough to spend. There are several ways in which relative and absolute consideration enter in to poverty measurement (E.Foster, 1998)

Income is the main source of livelihood in the cities to buy goods and service. Urban dwellers depend upon the employment to generate reliable income. At the core of the poverty, both rural and urban, is limited access to income and employment opportunities. Income inequality gap is the determinant of psychological wellbeing since urban dweller’s livelihood all dependent on income. Most recently one of the research reveals that Americans are happier when the gap between rich and poor is smaller a new study finds. The research showed that during times when the income gap was large, Americans in the low and middle income groups were less happy than during times of lower income gaps. The main reason, as per their findings, is that when the income gap is large, lower and middle income people feel less trusting of others and expect to treat them less fairly (Bernstein, 2013)

Many studies reveal income has effect on happiness. Researchers on this field showed that there is some significant association between income and happiness. It is found that in general happiness or subjective wellbeing differs directly with one's own income and inversely with incomes of others (Easterlin, 1995). For all societies, having more money for the individual typically means more individual happiness (Frijters, 2004). Money does buy greater happiness and lower measured stress (J. G. A. J. Oswald, 2006). In economic theory, it suggests that people derive utility from the opportunities and more money typically means deriving more opportunities. If money doesn't buy happiness, subjective wellbeing is a very different measure of welfare than income or wealth.

The gap between the rich and poor in United States found widened quite substantially. It showed that happiness has stagnated for rich and fallen for the poor. This is interpreted as rising happiness inequality (Jean-Benoit, 2009). Similarly (Gerdthama, 2001) revealed that the happiness increases with income, health, and education and decreases with unemployment, urbanization, being single and male gender.

Though poverty in Bhutan is rural phenomenon urban poverty is emerging due to rampant rural to urban transition taking place. The urban poverty is estimated to be 1.8% and it could be ranging between 1.2% to 2.3% considering the estimation of error from the sample survey (PAR 2012, p.10). The recent poverty analysis report showed that current poverty rate is 12%. Poverty line at Nu. 1,704.84. Food poverty line at Nu. 1,154.74 and non food allowance is Nu. 550.10 (1 US\$ = 62.3). Inequality Gini Index slightly increased from 0.32 to 0.35 between 2007 to 2012 in urban area which in fact is the clear indication of emerging urban poverty (Report, 2004).

2.4 Characteristics of urban poverty.

The dimension or aspects of urban poverty can be mainly grouped under demographic factors, social factors and economic factors. Income is one key indicator commonly used to study poverty.

(a) Demographic Factors.

The literature review reveals that urban population in Asia, especially in developing countries are expected to increase (UN-HABITAT, 2012). In the recent decade urban population in developing countries grew an average 1.2 million per week and Asia dominated the urban population growth with 0.88 million new urban dwellers every week (UN-HABITAT, 2012). Due to urbanization, rural to urban demographic transition occurred rapidly in Asia which associated with the shift from agriculture based economy to mass industry, technology and services. Therefore, 21st century is described as “Asian Urban Century” for Asia due to the 65% of demographic expansion of all urban area. Nearly half of the world urban population now live in Asia (UN-HABITAT, 2012). The main factors attributed to slum development are rural urban-migration, over population and overcrowding in the urban area (Adeniran Ayoade 2012). The term slum is used to describe wide range of low income dwellers and poor human living condition (UN-HABITAT, 2012). This can be linked to the Thimphu city’s slum prevalence as discussed in earlier section which is indication of low income poor urban dwellers.

Age:

There are some studies done to establish the relationship between happiness and age. One surprising findings reveals that people become happier as they grow older (Kirkova, 2013). Finding reveals that there is U bend relationship between happiness and age. This means people increase in happiness until around 30 then happiness heads downward into midlife and then back up again to higher levels after 50’s. It is found that this U-bend happiness with age tend to find true even across cultural

differences. People in 40's and 50's are least happy, with the global low point being 46 years. Past middle age there seems to be growing happiness into the later years that occurs regardless of money, employment status or children (Phillips, 2013).

Interestingly, more studies reveal that happiness may actually rise after middle age and wisdom may come with age (Szalavitz, 2013). More recently one of the newest study by Florida University of Medicine also showed that people become happier with aging (Sutin, 2013).

Similarly from the Gallup survey which surveyed more than 340,000 adults in the United States in 2008 with ages between eighteen and eighty five showed that levels of stress were highest among adults between the ages of 22-25. The study showed those people after reaching age 50's their stress levels dropped sharply. Happiness was highest among youngest adults and those their early 70's (Economist, 2010). The same survey found out that there one theory, that is, as people get older, they become more thankful for what they have and have better control of their emotions. It also found that they spend less time thinking about bad experiences.

The study done on spatial migration in rural to urban in Nigeria reveals that most of the migrants are age 26-35 so such trend hampered the contribution to development and upliftment of rural economy. Age 56 years and above constitute highest percentage because they remained in rural place without migrating to urban centers. Age group 15- 25 also found low in rural (Mustapha, 2009). Similarly in New Zealand there was huge inflow of people aged 18-22 years moving out to main urban areas from other area types reflecting life stage factors such as willing to be closer to tertiary education providers. However, there was a gradual decrease in number of people aged above 45 years who had moved to main urban area during 2001-2006 (N. Z. Statistics, 2013). In Australia in 2011, major urban areas such as capital cities and larger cities had a higher proportion of young adults than other urban areas 25% and 20% respectively. Outside urban areas, only 16% of the population were young adults (A. B. o. Statistics, 2013), Australian Social Trend.

The age has emerged as one factor which determines whether men or women are the happier sex in the United States. A study in Journal of Happiness Studies revealed that age 48 as the benchmark age when men's happiness overtakes women's. Those who are young and adults women are found more joyful or happy in building families and lasting relationships. But for men, it is found that they struggle to climb job ladder. When those people reach middle age, women tends to face disappointment for not realizing goals of life and men theirs (Conger, 2002). The study found that a that age 64, men start to appreciate their families even more than women (Dalrock, 2011). But it also possible that age and happiness correlation may be link to geography. Across the pond, a 2008 University college London survey found that women 50 years old and older are more optimistic than their male counterpart (Anker, 2005).

The Gallup² survey in United States showed that men and women have similar emotional patterns as they grow older. However, women at all ages reported more sadness, stress and worry than men did.

Sex

The relationship between gender and happiness has been studied by many researchers. In 2003 PGAS surveyed 38,000 men and women across 44 countries which lend insight into the disparities between male and female happiness. In general study results revealed that women more satisfied with their life than men. Those women from certain countries, including Pakistan, Japan and Argentina, appeared significantly happier. The differences between what affects men and women's levels of happiness explains slight gender gap. One valid example, women seems to emphasize more on personal and domestic problems, while men concern themselves more with matters outside of the home (Conger, 2002).

In most of the cities in the world women tend to outnumber men. But most developing cities, which are often characterized by large migrants flows, register an excess men. Considering with other factors with incoming profile of population drives

into gender imbalance in cities. This has negative affect on their labor markets and also put pressure on social security system. The top 10 male dominated cities are Doha, Dubai, Abu Dhabi, Manama, Kuwait city, Riyadh, Delhi, Tianjin, Mumbai and Karachi(Saltenyte, 2013). Similarly survey in Nigeria rural to urban migration showed that there were very few male respondents in rural which means more males migrated to urban areas (Mustapha, 2009).

Marital Status.

Many studies reveal that marital status has some relationship with psychological wellbeing or happiness. Marriage is one of the most important institution which can affect people's life and wellbeing. It is discovered that marital institutions can regulate sexual relations and encourage commitment between spouses (Frey, 2006).

Married people may be happier than those who aren't married in the long run according to the finding from new research done by Michigan State University (Daily, 2012)). Reviewing the accumulating modern literature on health benefits of relationship like marriage (C. M. W. a. A. J. Oswald, 2005) they discovered that the size of the psychological and health gain from marriage is remarkable. Life events in the non-pecuniary domain, such as marriage, divorce and disability have lasting effect on happiness (Easterlin, 1995). Marriage has some influence on various dimension of life including physical and health, longevity of life which can be linked to happiness in several ways (Lehrer, 2003).

The Hongkong happiness survey 2012 revealed that married people happier than unmarried people, but married people in the twenties are generally less happy than the unmarried of the same age group, suggesting that young couples probably face lot of pressure.

Flinders university research showed that having a husband in old age doesn't necessarily make a woman happy (Chui, 2013). Research also reveals that women are more likely to experience bereavement from widowhood because men die younger on average. The male respondents tends to have mixed feelings which is they didn't

feel particularly happy or unhappy when with their wives, yet on average, respondents reported that they felt happiest when they were with wives.

(b) Social Factors.

Education is one of the core factors among other social factors which determine happiness. The following literature review shows that social factors like better education serve as determining factors to happiness of urban dwellers. Seeking better educational opportunity people migrate to urban center in the hope of availing good services to lead good living standard.

Education.

Many studies across the happiness research have found out that education increase happiness. Quite often most tend to have common presumption that happiness can correlate with money, health, work and age but happiness and education are clearly connected (Suojanen, 2013). Economist and educators encourage public support for education with the concept that education improves the overall well-being of citizens (Powdthavee, 2003). They found that net schooling has positive effect on subjective wellbeing. Similarly, (Alex C. Michalos, 2007) studied the relationship between happiness and various education levels. "Education is not a way to escape poverty- It is a way of fighting" Julius Nyerere said, former President of the United Republic of Tanzania (UNESCO, 2001). The education plays main roles in alleviating poverty in close co-operation with crucial social sectors. Without educated people no country could have succeeded. One of the reports prepared by the Secretary General of the United Nations within the context of the decade for the eradication of poverty confirms that universal primary education is central to the fight against poverty. The level of education through which most poor children pass should assist them to break the cycle of poverty. The role of education in poverty reduction study done based on Bangladesh reveals that poverty act as both cause and effect

of lack of education (Rahman, 2006). Similarly (Hershock) reveals that poverty alleviation and education are widely viewed as related, in the specific sense that there is simply not enough education available to the poor. The real hidden critical truth is any amount of education will no doubt enhance the abilities of those poor individuals to face with their situation more effectively.

Education is one key antipoverty strategy. Helping the poor to receive more education is the part of the answer to eradicate poverty. Everybody assures with no doubts that the better educated is more likely to enjoy higher earnings (Bernstein, 2013). Education is related to making a better living in that those with more education tended to have higher income. In fact people with more education were happier than those with less (Easterlin, 1995).

From a recent survey conducted by the UK's office for national statistics ONS show that education can affect people well-being. According to the report, people who have reached higher levels of education feel more satisfied with their lives. Educated people are also more likely to view their activities as worthwhile.

Highly educated people seems to possess some better qualities to deal or help themselves through good problem-solving skills and others tools they have. They enhance their health and survival odds by making well-informed lifestyle decision which ultimately attribute to mental and physical well-being, happiness (Phillips, 2013). In terms of happiness, a close companion of learning is the degree of engagement people have with tasks that provide them knowledge and fulfillment.

The study done in Spain on impact of education on happiness found that there is both direct and indirect effect of education on happiness. The study conducted on indirect effect of education on happiness through income and labour status. It has revealed that people with higher education level have some sort of higher income levels and higher probability of being employed, that's why they report higher level of happiness. Second after controlling by income, labour status and other socioeconomic variables, they found that education has a positive and direct impact on happiness (Gracia, 2012).

(c) Economic Factors.

Income

Initial research conducted by Easterlin as early as 1973 and 1974 established that there are strong significant association between income and happiness. Many researchers showed that income has effect on happiness. Average income shown to have a larger effect on happiness than transitory income, which is broadly consistent with the PIH perspective (Andrew Eggers, 2003). Similarly (Diener, 2002) have found a positive correlation between an individual's income and his or her psychological well-being. Both lower income and loss of income have sometimes been related to psychopathology (Diener, 2002). Among all income groups, initially it is shown that material aspirations are fairly but consequently more income fetches greater happiness. Study has found that over the life cycle, aspirations grow along with income undercutting the favourable effect of income growth on happiness, though cross sectional happiness income difference remain. People tend to have some notion that they were less happy in the past and as result they will be happier in the future, because they try to project current aspirations to be same throughout the life cycle, while income grows (Jade, 2012).

Studies showed that higher income is correlated with higher levels of happiness. Cross sectional studies consistently reveals that at any given time, within any given nation, income is positively correlated with happiness. This is explained by the fact that cheerful people tend to earn more, lower income and loss of income have sometimes been related to psychopathology (Diener 2002). There are two theories found to explain the paradox: adaptation and social comparison. The adaptation theory showed that an increase income will temporarily increase people's happiness, but over time they will adjust to higher income such that their happiness revert back towards its original (Paul, 2009).

Between happiness and money, there is causal relationship. Based on conventional economics, money can buy happiness because it can be exchanged for goods that will increase individual's utility. As a result money and happiness are assumed to be causally linked, and higher incomes should lead to greater happiness (Brown, 2010). The Hongkong happiness index survey in 2012 result has shown that low-income families are generally less happy than those better off (Lingnan, 2012)

A new study from Princeton University's Woodrow Wilson School found there is a benchmark for income to determine happiness. The study showed that the income benchmark is about \$ 75,000 a year. Those persons with annual income which falls under the benchmark were found unhappier. But money doesn't seem to matter for those people who make more than \$ 75,000 a year. As a result they don't report any greater degree of happiness (Luscombe, 2010).

Income is one of the factors which determines emotional well-being¹ and life evaluation² which are defined as two aspects of well-being (Deaton, 2010). Life evaluation of people rise steadily with income. Emotional well-being did not improve or it has no effect beyond an income approximately \$ 75,000 a year. Above a certain income level, people's emotional wellbeing is constrained by other factors, such as temperament and life circumstances (Deaton, 2010).

Literature reveals that money can buy happiness in the sense that if we have more money we can buy materialistic things which makes people happier momentarily. Some argue with "Anyone who says money can't buy happiness just doesn't know where to shop" which is a thought provoking and an amusing sentiment, but it provokes an important question: What exactly is the relationship between money and happiness though there is an unquestionable link on one hand. Therefore some argue that relationship between money and happiness is a complicated one. But all researchers who tried to study the link between happiness and income revealed that there is some relationship. The rich people are more happy compared to with the poor (Wolfers, 2011).

New research also showed that advances in income are always met with increases in life satisfaction. Their findings debunk previous studies claiming that once basic needs are met, more wealth no longer leads to happiness (Fairchild, 2013). The researchers' analysis of 155 countries, accounting for over 95 percent of the world population, found no evidence that advances in income for the rich are met with diminishing increases in happiness.



1
the authors defined this as the quality of person's everyday experience such as joy, fascination, anxiety, sadness, anger and affection.

2
the author's definition, a person's thoughts about his or her life (on a longer time scale).

Work Status and Occupation

Studies have shown that there is some relationship between work status and happiness as well. Unemployment seems to be large source of unhappiness (J. G. A. J. Oswald, 2006). There are two different aspects which we can analyze effect of unemployment on happiness. One is at individual level, that is how the concerns on unemployment can affect one's happiness. The other is the macro-level affect that emphasize how the macro- level unemployment rate affects the level of happiness. Increase macro-level unemployment rate could affect happiness in two ways. (i) as the number of unemployed people increase, the number of happy people decreases., (ii) even for the employed, a rise in the macro-level unemployment rate increases a fear of unemployment, which eventually leads to lowering the level of happiness (Ohtake, 2012). The recent empirical studies on happiness have well proved that unemployment has a significant negative effect on happiness even when other factors are controlled for (Ohtake, 2012).

According to the findings of Career Happiness Index 2012, who conducted broad studies on what people in UK consider to be the most important factors contributing to their happiness at work. It showed that out of the 2200 workers surveyed, florist and gardeners are on the top list of happiest workers. Then it is followed by plumbers and hairdressers who reported to be another happy group at works. Whereby, human resource and IT professional workers are the least happy. It also showed that overwhelmingly self-employed people are happier at work with (85%)

Finding from the 22 critical literature reviews and studies on health and social science literature revealed that there is strong evidence that occupation has an important influence on health and well-being, happiness (Mary Law, 1998).

GSS survey in America from 1988 to 2006 showed that the feeling of people about work usually have significant impact on their happiness. Survey revealed that very satisfied were educationist, administrators, painters and sculptors, teachers, authors, psychologist, special education teachers, operating engineer, office supervisors and security and financial salespersons. Other workers who reported unhappy were

construction laborers, welfare service aides, amusement, and recreation attendants, hotel maids, pressing machine operators, electronic repairers, kitchen workers and machine operators. But some of the workers whose job have high degree prestige such as lawyers and doctors did not make the list of top twelve most satisfied or happy. Low-skilled manual workers were found least happy and the unemployed were not happy (Jacquelyn (staff), 2013).

A study done in Germany interviewing 600 employed and unemployed peoples collecting data on how they used their time on specific day, their affect levels during the activities they were engaged in during the course of the day, their general life satisfaction, and their general life circumstances found the same but unemployed declared less life satisfaction which means less happy with their life in general. The study also showed that there is saddening effect of being unemployed (Andreas Knabe, 2009). A similar study found that employed persons experience more positive feelings than unemployed when engaged in similar activities (Krueger and Mueller 2008).

Place of residence:

Many scholars studied the relationship between happiness and place of residence. Some study reveal that people who dwell in rural area enjoy greater happiness (Sarah Bridge, 2013). At the same time some studies have also shown that urban people are much happier than rural (Paperny, 2009). A new recent survey in Britain has found that people living in the rural areas are more optimistic about the future and happier about the quality of life than people in cities and towns. For instance analysis of various studies on life satisfactions show that no advantage of rural dwelling. In developed countries rural people tend to be less happy than city people. In the underdeveloped countries rural dwellers are markedly less happy than city dwellers (Veenhoven, 1994). Study has shown that urban dwellers in UK, London, East of England, Yorkshire are especially dissatisfied, the findings come from the latest countryside Living Index (NFU).

Researchers have investigated some theoretical substructures about urban unhappiness. They quite often refer to Louis Wirth's 1938 paper which clearly explains the way of life in urban places. They found out that one reason that causes city dwellers to be less happy is due to lack of intimacy or acquaintanceship. Between 1972 and 2008 largest cities has lowest happy urban dwellers and smaller cities has highest happy urban residents (GSS, 2012).

Latest Australian Unity Wellbeing Index report, which examined surveys of 35,000 Australians between 2002 and 2008, showed that those Australian living in the outback and small rural communities are much happier than their city dweller counter parts, research showed Sydney is the gloomiest place in the Australia (Cummins, 2012).

Similarly a recent study done in Finland showed that people living in rural area leading happier lives compared to the residents in the city areas. One interesting finding made in recent years was now people in the Western America started to migrate from urban to rural. This is mainly because of seeking better life satisfaction factors like employment reasons (Rudzitis, 1997).

Recent research showed that green surrounding makes urban dwellers happier, since greenery is abundantly available in rural place, people now seek greener place in rural for mental peace, happiness (Matthew White, 2013).

In a recent paper published in the journal Urban Geography, Brian Berry and Adam Okulicz-Kozaryn contend that statistical data show a clear urban-rural happiness gradient, in other words, as they move from small town to suburb to city, they find a gradual decrease in subjective well-being which is part of happiness. Their primary resource is the General Social Survey, a broad sweep of social information collected regularly since 1972. By mapping responses to that survey question on happiness with data on place of residence, the researchers found that, between 1972 and 2008, 'happiness has been lowest in the nation's largest cities and has consistently been at its highest levels in small towns and rural areas.(Benfield, 2013). Some studies in recent years also have shown that having greenery or parks in cities also makes city dwellers happy.

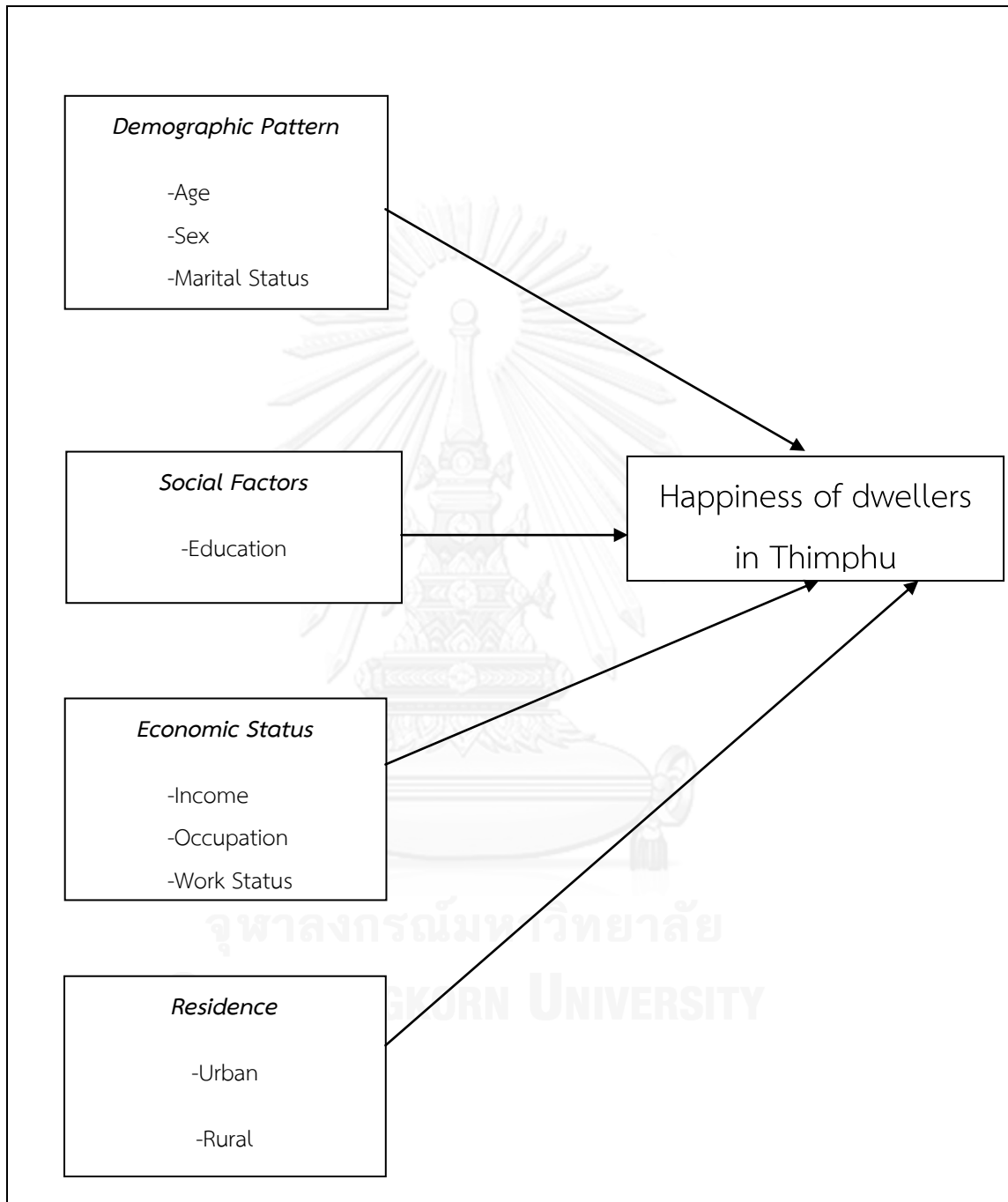
2.5 Conceptual Framework

Empirical findings reveal that demographic, social and economic factors play a crucial role in determining the happiness of poor urban dwellers. Despite the poverty reductions strategies put in place through different government policies, the urban poor fail to draw attention from the government. The literature review reveals that since urban destitute illegally occupies government land making illegal squatter settlement, they can't fight legally to avail urban services like other urban dwellers. Vulnerable group of urban poor is low income group, doing low skilled job and some are unemployed, job seeking city dwellers. Therefore income, education and occupation are selected as key variables which are determinants of happiness of poor urban dwellers. Prevalence of slums as discussed in p.10 of the preceding discussion of slums in Thimphu is used as proxy for urban poor.

In the conceptual framework presented below, there is one dependent variable which can be further categorized in to three groups. The first group is High happy (Very happy) group, second group is Medium happy (Happy) and third group is Low happy (Not happy). High happy is very happy group. Medium happy is happy group. Low happy is taken as unhappy group.

Independent variables are derived from demographic pattern, social factors and economic status. The seven independent variables chosen are age, sex, marital status, occupation, education, residence and income which serve as determining factors for the happiness of Thimphu dwellers. Income is also further categorized in to three groups. High income, Medium income and Low income to study the income effect on the three happiness groups.

Figure 3 Conceptual Framework



2.6 Hypothesis.

Based on the literature review and conceptual framework the following hypothesis will be tested for assessing the factors associated with happiness in Thimphu.

1. Low and middle income group of dwellers are less likely to be happy compared to high income dwellers.
2. Highly educated are more likely to be happy compared to other levels of education.
3. Unemployed are likely to be unhappy compared to other professions.
4. Age group 20-34 age group are less happy compared to other age groups.
5. Females are less happy compared to males.
6. Rural dwellers are more likely to be happier than urban dwellers.

CHAPTER III

METHODOLOGY

3.1 Source of Data.

This study utilizes the secondary data from Gross National Happiness Survey (GNH) administered by CBS. The initial primary objective of the GNH survey was to develop GNH indicators to transform from academic discourse to measurable one. The other objective was to make GNH policies for more effective implementation and practicable to be used by policy makers since it is a core development philosophy of Bhutan. Now it serves as screening tools for framing various development plans and polices which are practically used by GNHC. Survey was conducted between 2006-2012 funded by UNDP³, DANIDA⁴ and RGoB⁵.

GNH 2010 survey started in May. The questionnaire took approximately 3 hours to complete during the survey. So it took nearly nine months covering all across the remote scattered places of Bhutan.

3.2 Sample design and coverage.

The initial target sample size was 8700 covering all 20 districts and almost all sub-districts. The 2010 GNH survey is nationally representative and representative at a district level covering both rural and urban.

For this study Thimphu district as capital city is chosen for being one of the largest cities in Bhutan with highest urban residence that is 80.2% urban residents. Sample size covered for Thimphu district is 407 with 358 respondents from urban Thimphu and 49 respondents covering from different sub-districts of rural Thimphu, those who dwell outside demarcated city boundary of the Thimphu city.

3.3 Operationalization of Variables.

To examine the factors associated with happiness of urban dwellers, this study examines independent variables consisting of demographic characteristics, social factors and economic status with the three categories of dependent variables level of happiness. The measurement⁶ of happiness scale is 0 to 10, where by 0 is minimum and 10 is maximum.

³ United nation Development Program based in Bhutan, ⁴ Danish International Development Agency, ⁵ Royal Government of Bhutan.

Highly happiness: Very happy group of dwellers in Thimphu.

(Happiness scale ranging from 8, 9, 10)

Medium happiness: Pretty happy group of dwellers in Thimphu.

(Happiness scale ranging 5,6 & 7)

Low happiness group: Not too happy vulnerable group dwellers in Thimphu.

(Happiness scale 0,1,2, 3 &4)

Age: Age of respondents range from 15 to 60 and it is categorized in to five age group 15-19, 20-34,35-44, 45-59 and 60 and over. The population age between fifteen and sixty are considered as most economically active. In Bhutan teenager get legal citizenship identity card when they reach the age of 15. Age over sixty is defined as old or retirement age.

Sex: Male and female into two groups.

Marital Status: defined as single, divorced and married.

Education: level of education which includes six levels, No education, Primary, Lower Secondary, Middle Secondary, Higher Secondary and College/University.

Residence: defined as urban and rural.

Economic status: It includes variable income which is annual household income which is also further grouped into three income groups.



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⁶ three group of happiness level, Very happy, Happy & Not happy is kept as it is grouped by Center for Bhutan Studies since it involved some calculations with GNH index using all the variables to group it into 3 happiness group.

Many literature shows 0 or 1 is low and 10 is maximum happy. World happiness database of happiness use measurement 1 as extremely unhappy. 2, 3,4,5,6,7,8,9,10 extremely happy computation. People rating number come up with a number that they felt reasonably accurate them from 1 to 10. This number almost certainly didn't come from any formula or numerical weighing of different factors, but rather from an instinctive overall feeling of satisfaction with one's life-

The ceiling of minimum and maximum income is fixed solely based on the dataset. It has a limitation to include those who fall below minimum and maximum income ceiling. There are 14 respondents who responded “don’t know” when asked about their annual household income; so it is possible that those respondents might fall under that extreme category.

High Income: Having annual household income range between Nu. 100,000-100,0000

Medium Income: Having annual household income range between Nu. 60,000-99,999.

Low Income: Having annual household income range between Nu. 30,000-59,999.

Occupation: Defined in eight groups, Unemployed, Farmer, Business, Students/Trainees, Civil, Armed Force, Housewives and others.

3.4 Method of data analysis:

First the simple descriptive statistics is used to examine the relationship between dependent variable and the independent variables.

Then ordered probit regression is used to examine the outcome of an ordinal dependent variable which is happiness. Happiness is measured on 1 to 10 rating scale and which it has ordering and rating to study the different level of happiness group, that is highly happy(very happy), medium happy(happy) and low happy(not happy). The predictors of dependent variables will be demographic factors which are age, sex, marital status, other predictors from social factors variable is education and from economic status the predictors will be occupation and income.

The variables are set as shown in Table 2 to examine the association of independent variables and dependent variables employing the ordered probit regression.

Table 2 Variables' description set for ordered probit regression.

Variable name	Description	Measurement Scale
Happiness	Happiness level categorized into three groups.	Dummy Low = 0 Medium & High = 1
Income	Income level categorized into three groups	Low & Medium= 0 High = 1
Age	Age grouped in to five groups	15-19=0 20-34=1 35-44=1 45-59=1 60+ =1
Marital status	Marital status classified into three groups	Single=0 Married=1 Divorced=1
Education	Education made in to six groups.	No education=0 Primary=1 Lower Secondary=1 Middle Secondary=1 Higher Secondary=1 College/University=1
Occupation	Grouped into eight groups	Unemployed=0 Farmer=1 Business=1 Student=1 Civil = 1 Armed Force=1 Others=1 Housewives=1
Sex	Sex grouped into two groups	Female=0 Male=1
Residence	Place of residence grouped into two category	Urban=0 Rural=1

CHAPTER IV

RESEARCH FINDINGS

4.1 Introduction

Socio-demographic characteristics

It has already been discussed in chapter II that the demographic, social and economic status are the determining factors which determine the happiness of people dwelling in the urban areas. Empirical study has shown that those factors influence the happiness of people. This chapter will examine how demographic, economic status and social factors influence the happiness of dwellers in Thimphu city in Bhutan. An attempt is made to explore the relationship between those factors and happiness considering urbanization.

This chapter describes demographic (for example, urban dweller's age, sex and marital status), economic characteristics (occupation, income and place of residence) and social factor level education attainment.

Characteristics of urban poverty and their happiness is discussed in sections 4.2 to 4.3. In the following the section (section 4.5), results of descriptive statistics analysis, crosstab, Chi-square and significance level are presented. Section 4.5 examines the association between the happiness and socio-demographic with economic status. For this, result of ordered probit regression is presented which helps to identify the factors influencing happiness of urban dwellers.

4.2 Background characteristics of urban dwellers.

This section describes socio-demographic characteristics of urban dwellers. It included various other factors such as economic status, education, occupation, place of residence.

4.2.1 Age of urban dwellers

The individual aged between 15 to 83 were interviewed for the survey. Age 20-34 has the maximum number of respondents with 55.7% followed by age 35-44 with 21.4% of respondents. Age group 45-49 has 11.3%. Age group 15-19 has 6.9% and age group 60 years and over 4.7%. The age of respondents is grouped into five categories as shown in the Table 1.3.

4.2.2 Sex of urban dwellers

The information was collected on gender of urban dwellers comprising males and females. Females make up 55.77% and males make up 44.23%.

4.2.3 Marital status

Marital status has three categories single, married and divorced. Information was collected from single 18.9%, married 74.7%, divorced 6.4%.

4.2.4 Education.

Information was collected from six different categories of education attainments of Thimphu dwellers. Those dwellers who have never gone to school are classified as 'no education', those who participated in adult literacy programs and received some education are classified as 'non formal education'. Those who have been to school and passed some classes are categorized accordingly as shown in Table 1.3. The information collected from No Education make up 35.3%, Primary Education 11.3%, Lower Secondary 13.51%, Middle Secondary 14.74, Higher Secondary 14.7% and College/University 10.3%.

4.2.5 Occupation.

The information was collected from seven different occupation groups which consist of , unemployed 4.67%, farmer 5.41%, businessman 25.61%, Student/Trainee 12.55%, Civil 11.06%, Armed Force 6.63%, Others 8.6%

4.2.6 Income.

Information on income was collected based on the sum of annual household income which has three categories. High Income make up 61.2%, Middle Income 23.6% and Low Income is 11.55% and don't know 3.7%

4.2.7 Residence.

Information was collected from both urban (87.96%) and from rural areas (12.04%). Those dwellers who live outside city demarcation boundary are rural dwellers.

Table 3 Percent distribution of socio-demographic characteristics

Characteristics	Percent
Age	
15-19	6.9
20-34	55.5
35-44	21.4
45-59	11.3
60 and over	4.7
System missing	0.2
Total	100
N	406
Sex	
Male	44.23
Female	55.77
Total	100

N	407
<u>Marital Status</u>	
Single	18.9
Married	74.7
Divorced	6.4
Total	100
N	407
<u>Education</u>	
No Education	35.38
Primary Education	11.30
Lower Secondary	13.51
Middle Secondary	14.74
Higher Secondary	14.74
College/University	10.32
Total	100
N	407
<u>Occupation</u>	
Unemployed	4.67
Farmer	5.41
Business	25.61
Student/Trainee	12.55
Civil	11.06
Armed Force	6.63
Others	8.60
Total	100
N	407
<u>Income</u>	
High income	61.2
Middle income	23.6
Low Income	11.55
Don't Know	3.7
Total	100
N	392

4.3 Happiness of Thimphu dwellers.

Three groups of happiness are used for this study, (1)High (Very Happy) (2) Medium (Happy) and (3) Low (Not happy) with the scale measurement 0 to 10 where by 0 is the lowest and 10 is the maximum as shown in Figure 4.

Figure 4

On a scale of zero to 10, I consider myself

Hap	Not a very happy person									Very Happy Person
	0	2	3	4	5	6	7	8	9	10

Table 4 Percent distribution of happiness level of respondents

Characteristics	Percent
High (very happy)	15.23
Medium (happy)	45.21
Low(not happy)	39.56
Total	100
N	407

As shown in Table 4 happiness is categorized in three groups. High happy (very happy) 15.2%, Medium Happy (happy) make up 45.2% and Low happy (Not happy) is 39.5%. High happy (Very happy) is happiness scale ranging from 8,9 and 10, Medium happy (Happy) happiness scale ranging from 5,6 and 7. Happiness scale ranging from 0, 1, 2, 3 and 4 is Low Happy (Not Happy).

4.4 Descriptive Statistics

The finding from Table 5 reveals that 81.4% of very happy individuals are from high income group while 11.9 percent of very happy individuals are from middle income group. Only 6.8 percent of very happy individuals are from low income group. For happy (Medium) as well as not happy (Low) people, the proportion of high income people is smaller, while the proportion of middle income and low income people is larger. This indicates that people are happier with higher the income and the lower the income, the less happy. In addition statistical analysis also shows significant strong association between dependent variable and income ($\chi^2 = 19.498$; $df = 4$; and $P = 0.001$). The sample size here in this table is 393 because there are 14 missing data for “income” variable because respondents responded with “don’t know” when asked about their annual household income. It is possible that some could be unemployed who had no annual household income to report.

Table 5 **Income**

		Income Groups			Total
		Low Income	Middle Income	High Income	
Happiness Level	Not Happy(Low)	23 14.6%	53 33.5%	82 51.9%	158 100.0%
	Happy(Medium)	20 11.4%	36 20.5%	120 68.2%	176 100.0%
	Very Happy(High)	4 6.8%	7 11.9%	48 81.4%	59 100.0%
Total		47 12.0%	96 24.4%	250 63.6%	393 100.0%

The finding from the following Table 6 shows no clear trend between age and happiness. For all respondents, those aged 20-34 make up the majority (55.7%). For those who are not happy, 60% are from the age 20-34 group. For who are very happy, 56.5% are from this age group. While those aged 60 and over make up 4.7% of the sample, then make up 6.2% of the people who are not happy. On the other hand, those aged 15-19 make up 6.9% of the sample but they only make up 4.4% of the people who are not happy. There is one respondent who did not report about age.

Table 6 **Age**

		Age Groups					Total
		15-19	20-34	35-44	45-59	60+	
Happiness Level	Low (Not Happy)	7 4.4%	96 60.0%	31 19.4%	16 10.0%	10 6.2%	160 100.0%
	Medium (Happy)	14 7.6%	95 51.6%	42 22.8%	26 14.1%	7 3.8%	184 100.0%
	High (Very Happy)	7 11.3%	35 56.5%	14 22.6%	4 6.5%	2 3.2%	62 100.0%
Total		28 6.9%	226 55.7%	87 21.4%	46 11.3%	19 4.7%	406 100.0%

The following Table 7 shows that while the married individuals make up 74.3% of this sample, 69.4% of very happy individuals are from married category and 75% of happy individuals are from married group. Interestingly from very happy category, there is no one from the divorced group. While those single make up 18.9% of the sample, they make up 30.6% of the very happy individuals and only 14.9% of the unhappy individuals. In addition, statistical analysis also reveals there is significant association between dependent variable and marital status. ($\chi^2 = 11.504$; $df = 4$; and $P = 0.021$).

Table 7 Marital Status.

		MARRITAL STATUS			Total
		Single	Married	Divorced	
Happiness Level	Low (Not Happy)	24 14.9%	123 76.4%	14 8.7%	161 100.0%
	Medium (Happy)	34 18.5%	138 75.0%	12 6.5%	184 100.0%
	High (Very Happy)	19 30.6%	43 69.4%	0 0.0%	62 100.0%
Total		77 18.9%	304 74.7%	26 6.4%	407 100.0%

Table 8 below shows that while those with no education make up 35.4% of the sample, 42.9% of not happy individuals are from no education group. On the other hand, while those with college or university make up 10.3% of the sample, 21% very happy individuals have college or university education. 14.7% of individuals who are happy are from middle and the same hold for higher secondary. 12.9 percent of very happy individuals are from lower secondary group. Surprisingly 22.6% of very happy individuals are from no education category. There is significant association between dependent variable and education ($\chi^2 = 24.065$; $df = 10$; and $P = 0.007$). With the higher the education happier the people which means happiness level increases with education.

Table 8 Education.

		Education Groups					Total	
		No Education	Primary Education	Lower Secondary	Middle Secondary	Higher Secondary		College/University
Happiness Level	Low(Not Happy)	69 42.9%	21 13.0%	22 13.7%	22 13.7%	20 12.4%	7 4.3%	161 100.0%
	Medium(Happy)	61 33.2%	22 12.0%	25 13.6%	27 14.7%	27 14.7%	22 12.0%	184 100.0%
	High(Very Happy)	14 22.6%	3 4.8%	8 12.9%	11 17.7%	13 21.0%	13 21.0%	62 100.0%
	Total	144 35.4%	46 11.3%	55 13.5%	60 14.7%	60 14.7%	42 10.3%	407 100.0%

Table 9 Occupation

		Occupation Group							Total	
		Unemployed	Farmer	Business	Students /Trainees	Civil	Armed Force	Others		House Wives
Happiness Level	Low (Not Happy)	11 6.8%	7 4.3%	42 26.1%	14 8.7%	9 5.6%	10 6.2%	11 6.8%	57 35.4%	161 100.0%
	Medium (Happy)	9 4.9%	12 6.5%	48 26.1%	23 12.5%	28 15.2%	13 7.1%	15 8.2%	36 19.6%	184 100.0%
	High (VeryHappy)	4 6.5%	3 4.8%	14 22.6%	14 22.6%	8 12.9%	4 6.5%	4 6.5%	11 17.7%	62 100.0%
	Total	24 5.9%	22 5.4%	104 25.6%	51 12.5%	45 11.1%	27 6.6%	30 7.4%	104 25.6%	407 100.0%

The above Table 9 reveals that while house wives make up 25.6% of the sample, 35.4% of not happy individuals are from the housewives. While students/trainees make up 12.5% of the sample, 22.6% of very happy individuals are from this group. For other occupation groups, there is no clear picture whether they tend to be happy or unhappy. The statistical analysis indicated that there is significant association between dependent variable and occupations ($\chi^2 = 26.506$; $df = 14$; and $P = 0.022$)

The following Table 10 shows that 55.8% of the sample are female, while 44.2% are male. 59.9% of not happy individuals are from female group while 40.4% of not happy individuals are men. 51.6% of very happy individuals are female while 48.4% of very happy individuals are male. 53.8 percent of happy individuals are female while 46.2% of happy individuals are male. Overall females tend to be less happy compared to males.

Table 10 Sex.

		Sex Groups		Total
		Female	Male	
Happiness Level	Low (Not Happy)	96 59.6%	65 40.4%	161 100.0%
	Medium (Happy)	99 53.8%	85 46.2%	184 100.0%
	High (Very Happy)	32 51.6%	30 48.4%	62 100.0%
	Total	227 55.8%	180 44.2%	407 100.0%

From the finding of the following Table 11, 88% of the sample are from urban areas, while 12% are from rural areas. 93.2% of not happy individuals are from urban resident. Only 6.3 percent of not happy individuals are from rural areas. 88% of very happy individuals are from urban areas, while 11.3% are from rural areas. Statistical analysis also reveals that there is significant association between dependent variable and place of residence. ($\chi^2 = 8.172$, $df = 2$, $P = 0.017$)

Table 11 Residence.

	Residence		Total
	Rural	Urban	
Low (Not Happy)	11 6.8%	150 93.2%	161 100.0%
Happiness Level Medium (Happy)	31 16.8%	153 83.2%	184 100.0%
High (Very Happy)	7 11.3%	55 88.7%	62 100.0%
Total	49 12.0%	358 88.0%	407 100.0%

There are missing data for income and age as shown in Table 5 and Table 6. Overall number of observation 392 is used in the following regressions.

4.5 Association between happiness and characteristic of urban dwellers.

Table 12 Ordered Probit Result: Dependent variable Happiness.

Variables	Coef.	z	P>[Z]
High Income	.266	1.69	0.091
Age20_34years	.023	0.06	0.951
Age35_44years	.114	0.27	0.786
Age45_59years	-.229	-0.51	0.611
Age60 and Over	.276	0.51	0.611
Married	.085	0.29	0.775
Divorced	-.744	-1.84	0.066
Primary	-.118	-0.50	0.614
Lower Secondary	.236	1.01	0.314
Middle Secondary	.071	0.30	0.763
Higher Secondary	.068	0.24	0.814
College	.529	1.66	0.096
Farmer	-.068	-0.14	0.887
Business	-.261	-0.74	0.460
Student	.211	0.51	0.613
Civil Servant	-.155	-0.40	0.686
Armed force	-.526	-1.19	0.232
Others	-.289	-0.68	0.498
House wives	-.338	-0.90	0.367
Male	-.006	-0.03	0.973
Rural	-.026	-0.11	0.913

Number of obs = 392

LR chi2(21) = 35.36

Prob > chi2 = 0.0258

Log likelihood = -244.48473

Pseudo R2 = 0.0674

The relationship between the dependent variable happiness and the independent variables from the probit result in Table 12 described below.

Income

Table 12 shows that the higher income group is happier than low and medium income group and the result is statistically significant at 10% ($P = 0.09$). So high income individuals are happy persons compared to reference group of low income and medium income group.

Age

All age group 20-34, age group 35-44, age group 45-59 and 60 and over are neither more nor less happy compared to the group, which is age group 15-19. None of the coefficients are statistically significant at 10% level.

Marital Status

Compared with the reference group of single individuals, married individuals are happier while divorced are less happy, however, the results are statistically significant at the 10% level for the divorced individuals only.

Education

For education, the reference group is those with no education. The education level college is statistically significant (p value 0.09). Having college education is associated with higher level of happiness compared to no education reference group. For other levels of education, the coefficients are positive for lower secondary, middle secondary, and higher secondary, although the results are not statistically significant.

Occupation

Compared to being unemployed, different types of occupation do not appear to affect happiness, once other factors are controlled for. The situation in Bhutan is that most people opt and give first priority to works as a civil servant. Corporations and private sectors are in developing stage and can't attract the highly skilled employees. Those jobs in private firms and corporation are not reliable like working in civil service office. Also for business, there is no lucrative local market due to small size of population. Most business activities depend upon the loans from financial institutions which requires to repayment on time; so those who fail to repay on time their business don't prosper and are not happy. For most farmers there is no mechanization of farming due to rugged and remote terrain. All agricultural activities have to be carried out manually which means they are labor intensive and quite often face shortages of labor in the rural area. Crops destructions by climatic changes and by wild pest also makes farmer less happy.

Sex

There is no significant difference between males and females, although the coefficient is negative for males. Currently in Bhutan males are dominant in all work force, male must be taking all burden with job responsibilities. Most men are bread earners for his family and his parents to provide financial support both in cash and in kind so as a result men are burdened which leads to them being less happy. Women's status in Bhutan is improving and they are more likely to work so in the near future it is likely that men will be equally happy or happier than women in Bhutan.

Residence

There is no statistically significant difference between rural and urban areas. It appears that area of residence (whether rural or urban) does not affect happiness once other factors are controlled for.

Table 13 Marginal effect on dependent variable happiness: Outcome 3

Variables	Dy/dx	Z	P>[Z]
High Income	.055	1.76	0.078
Age20_34years	.005	0.06	0.951
Age35_44years	.025	0.26	0.793
Age45_59years	-.045	-0.57	0.571
Age60 and Over	.068	0.45	0.651
Married	.018	0.29	0.770
Divorced	-.108	-2.98	0.003
Primary	-.024	-0.53	0.595
Lower Secondary	.056	0.93	0.355
Middle Secondary	.016	0.29	0.769
Higher Secondary	.015	0.23	0.819
College	.140	1.41	0.159
Farmer	-.014	-0.15	0.883
Business	-.052	-0.80	0.427
Student	.049	0.47	0.641
Civil Servant	-.031	-0.43	0.664
Armed force	-.086	-1.64	0.101
Others	-.054	-0.79	0.429
House wives	-.066	-0.99	0.321
Male	-.001	-0.03	0.973
Rural	-.006	-0.11	0.912

Table 13 presents marginal effects of the model in Table 1.12 for outcome (3) that is “very happy.” The marginal effects of outcome (1) and (2) are as shown in the appendix . The independent variables that are statistically significant are as follows.

Income

The level of income and happiness are significantly associated. From table 13 as expected the coefficient on high income is significant at 10% level (p value 0.07). High income group of individuals are 5 % more likely to be very happy compared to low income and medium income groups. With the increase in income happiness also increases. Table 15 in appendix shows that medium income and low income groups more likely to be happy (outcome 2) when compared to high income group.

Education

Results from Table 12 show that those college level education are happy individuals compared with no education or uneducated. With increasing education level people tend to be happier, although the only significant difference can be seen in college level education. Those with college education level are happiest among different education levels. For marginal effect results, College education individuals are less like to be unhappy as shown in the appendix Table 16 in Outcome (1) result. For outcome (3), i,e very happy (as shown in Table 13), however, college education is not statistically significant.

Marital Status:

Divorced individual are 10% less likely than single individuals to be very happy.

Occupation:

Armed force individuals are 8.6% less likely to be very happy compared to those unemployed.

Table 14 Effect of income on happiness for rural dwellers

Variables	dy/dx	z	P>[Z]
High Income	.048	1.42	0.155
Age20_34years	.007	0.09	0.932
Age35_44years	.029	0.30	0.762
Age45_59years	-.040	-0.51	0.612
Age60 and Over	.076	0.49	0.621
Married	.018	0.31	0.760
Divorced	-.109	-3.07	0.002
Primary	-.020	-0.43	0.668
Lower Secondary	.056	0.93	0.352
Middle Secondary	.019	0.34	0.731
Higher Secondary	.018	0.27	0.791
College	.145	1.44	0.150
Farmer	-.006	-0.06	0.949
Business	-.055	-0.85	0.397
Student	.047	0.45	0.653
Civil Servant	-.035	-0.49	0.623
Armed force	-.089	-1.7	0.083
Others	-.056	-0.84	0.400
House wives	-.069	-1.04	0.298
Male	-.001	-0.04	0.971
Rural	-.043	-0.62	0.538
Rural High Income	.065	0.55	0.580

Table 14 shows marginal effects results with interaction terms between rural and high income. The interaction term is positive but not statistically significant, which indicates that high income is correlated with happiness in a similar way in both rural and urban areas. The result regarding the interaction terms between urban and high income is shown in appendix Table 17.



CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In the world, more than half of the population is in cities. Poverty is increasingly becoming urban phenomenon. More than two-thirds of world urban population lives in low and middle income countries mostly in sub-Saharan Africa and South Asia. Bhutan has made great progress in overall poverty reduction and the use of happiness as a core development philosophy. However, small portion of vulnerable urban dwellers have already existed. Such vulnerable urban dwellers are expected to increase with the ever increasing urban population in Thimphu city with more urbanization in the near future.

5.2 Discussion

There are a number of factors which influence the happiness of urban dwellers. The major factors that influence happiness is socio-economic status and some demographic factors. Socio-economic status in this study includes occupation, income and education. This study explored factors that influence the happiness of urban dwellers of Thimphu city. This study identified number of factors which determines happiness of urban dwellers. The factors that influence the happiness of urban dwellers are income, education and occupation. How these factors influence or determined the happiness of urban dwellers are discussed one by one in the following paragraphs.

Income has effect on happiness. Increasing income increases the level of happiness. Low income group of urban dwellers are less likely to be happy compared to those who have high income. These result are consistent with the other studies (Diener, 2002)..

Education level and occupation does affect the happiness of urban dwellers. Uneducated and unemployed are less likely to be happy compared to those who have high qualification and good jobs. Though the study results show that students are happy but after passing out from schools and colleges they become job seekers and if they remain unemployed it is less likely to be unhappy. Unemployment is the cause of many crimes such as day light robberies, pick pocketing and theft and violence in the cities. This is consistent with other studies (Andreas, Ronnie , Joachim 2010). Less educated or having no educations finds no better paying jobs in the cities and are force to dwell in low cost unhygienic crowded area.

This study suggests that education is the best predictor and most important factor that strongly influence or determine the happiness of urban dwellers. Urban dwellers with higher education are much more likely than uneducated urban dwellers to be happy and contended with the life after controlling other factors. This finding is consistent with many other studies conducted all over the world (Powdthavee, 2003).

Place of residence does effect the happiness. Empirical evidences show strong relationship between place of residence and happiness (particularly urban vs. rural). However results suggest that area of residence doesn't affect happiness once other factors are controlled for. But it is debatable to Bhutanese context; since there is some significant difference between the urban and rural in terms of infrastructural and socio-economic development as developing country. For instance, in rural parts of Bhutan, there is no better paved road access, remote and ruggedness, no better health and education facilities which means life is harsh and hard in rural areas.

This study also made an attempt to examine the relationship between the happiness and demographic factors. It showed that the demographic factors such as age, marital status, sex can determine happiness. This study has shown that teen agers

age group 15-19 are happy where as other empirical studies have shown that older people are happier.

Reverse Causality or Endogeneity Concerns:

While interpreting the results however, the possibility of reverse causality or endogeneity should be taken into account. This is the possibility that happier people may be more able and productive in generating higher income. This concern or issue is consistent with one finding who explained cheerful tend to earn more under the literature reviews (page 23). It is possible it can happen in that way since one of the past researchers noticed such possibility. So this should be kept in mind

5.3 Conclusion

On the basis of research findings presented in chapter 4 and discussion presented in section 5.2, it is concluded that having no education, unemployment and having not enough income are the major determinants of urban poverty reductions to maximize happiness. It is difficult to make distinguish among these factors (education, occupation and income) because they are interlinked. For example, some urban dwellers have college education and no jobs which would mean unemployed while having higher education. Having high education make no sense unless they get employed and start to earn some good income. However, it can be concluded that lack of high education and unemployment are the most important factors which hinders happiness and urban poverty reduction.

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APPENDIX

จุฬาลงกรณ์มหาวิทยาลัย
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Table 15 Marginal Effects on dependent variable Happiness: Outcome 2

Variables	Dy/dx	z	P>[Z]	[95% Conf.]
High Income	-.022	-1.72	0.086	-.048
Age20_34years	-.002	-0.06	0.951	-.076
Age35_44years	-.013	-0.24	0.809	-.118
Age45_59years	.014	1.14	0.256	-.010
Age60 and Over	-.042	-0.38	0.702	-.255
Married	-.008	-0.32	0.751	-.055
Divorced	-.029	-0.41	0.684	-.173
Primary	.009	0.65	0.516	-.019
Lower Secondary	-.032	-0.79	0.428	-.110
Middle Secondary	-.008	-0.28	0.783	-.062
Higher Secondary	-.007	-0.22	0.829	-.076
College	-.097	-1.17	0.243	-.260
Farmer	.006	0.17	0.868	-.064
Business	.0190	1.07	0.284	-.016
Student	-.028	-0.41	0.685	-.163
Civil Servant	.0115	0.60	0.546	-.026
Armed force	.001	0.03	0.978	-.085
Others	.0139	1.65	0.099	-.002
House wives	.022	1.51	0.132	-.007
Male	.0005	0.03	0.973	-.033
Rural	.002	0.11	0.909	-.040

Table 16 Marginal Effects on dependent variable Happiness: Outcome 1

Variables	Dy/dx	z	P>[Z]	[95% Conf.]
High Income	-.033	-1.57	0.116	-.073
Age20_34years	-.003	-0.06	0.951	-.089
Age35_44years	-.013	-0.29	0.775	-.098
Age45_59years	.030	0.45	0.655	-.103
Age60 and Over	-.026	-0.63	0.526	-.106
Married	-.010	-0.28	0.783	-.082
Divorced	.138	1.31	0.191	-.069
Primary	.015	0.47	0.638	-.046
Lower Secondary	-.024	-1.15	0.249	-.062
Middle Secondary	-.008	-0.31	0.754	-.057
Higher Secondary	-.008	-0.24	0.807	-.068
College	-.044	-2.29	0.022	-.080
Farmer	.008	0.14	0.892	-.110
Business	.033	0.67	0.503	-.064
Student	-.021	-0.58	0.564	-.094
Civil Servant	.019	0.37	0.712	-.084
Armed force	.085	0.91	0.364	-.099
Others	.040	0.57	0.567	-.097
House wives	.044	0.79	0.427	-.065
Male	.0006	0.03	0.973	-.039
Rural	.003	0.11	0.914	-.052

Table 17 Effect of Income on happiness for urban dwellers. (Interaction with urban dwellers):

Variables	Dy/dx	z	P>[Z]	[95% Conf.]
High Income	.099	1.31	0.190	-.049
Age20_34years	.007	0.09	0.932	-.152
Age35_44years	.029	0.30	0.762	-.163
Age45_59years	-.040	-0.51	0.612	-.198
Age60 and Over	.076	0.49	0.621	-.225
Married	.018	0.31	0.760	-.100
Divorced	-.109	-3.07	0.002	-.179
Primary	-.020	-0.43	0.668	-.112
Lower Secondary	.056	0.93	0.352	-.062
Middle Secondary	.019	0.34	0.731	-.088
Higher Secondary	.018	0.27	0.791	-.112
College	.145	1.44	0.150	-.053
Farmer	-.006	-0.06	0.949	-.203
Business	-.055	-0.85	0.397	-.183
Student	.047	0.45	0.653	-.159
Civil Servant	-.035	-0.49	0.623	-.172
Armed force	-.089	-1.73	0.083	-.189
Others	-.056	-0.84	0.400	-.188
House wives	-.069	-1.04	0.298	-.198
Male	-.001	-0.04	0.971	-.075
Rural	.043	0.62	0.538	-.093
Urban High Income	-.058	-0.61	0.545	-.248

Figure 5 Prevalence of slums in Thimphu city.



Figure 6 Indications of urban poor.



Source: *Thimphu City Development Strategy 2008(MoWHS)*

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