

Perceived Happiness and Self-rated health: The Twins? A Bivariate Ordered Probit Models Analysis using World Value Survey

Abstract

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Studies regarding the resources of happiness, from different countries with different datasets and econometrics methods, have reached a consensus that health is one of the most crucial inputs of individual happiness. Nevertheless, happiness also seems to have influential impact on health. In view of this, happiness and health appear to have a bidirectional relationship. Moreover, most of happiness-health studies have used the objective data – life-expectancy (longevity) to proxy the wellness of health with the assumption that living longer means healthier. However, this assumption is questionable as it is very common to see the golden senior citizens are suffering on beds due to the degeneration of physical functioning. Is age a matter of health? If so, longevity may not be a good indicator for health. What is the alternative measurement of health we can consider? Self-rate health? This study aims to reveal the co-existed relationship between self-perceived happiness and self-rate health in Malaysia. Based on a sample of 1300 Malaysia respondents from the Wave 6 of World Value Survey (WVS), we first construct a simultaneous system – Bivariate Ordered Probit Models to study the nexus between perceived happiness and self-rated health. Then, we test if the perceived happiness is endogenous to self-rated health by the Likelihood Ratio and Wald test. The analysis outcomes are expected to shed some insights for the happiness and health policy makings.

Keywords: Perceived Happiness; Self-rated health; World Value Survey; Bivariate Ordered Probit Models