# Why Finland is the happiest country in the world – an expert explains

Finland has been the happiest country on earth for the past six years, according to the World Happiness Survey.

Finland comes out top, followed by Denmark and Iceland. Just why Finns are happier than others comes down to a number of factors including lower income inequality (most importantly, the difference between the highest paid and the lowest paid), high social support, freedom to make decisions, and low levels of corruption.

If you look at the graph below, you will see all 44 counties for which there is both happiness data and income inequality data, each as a coloured dot. The vertical scale shows average happiness, the horizontal scale income inequality.

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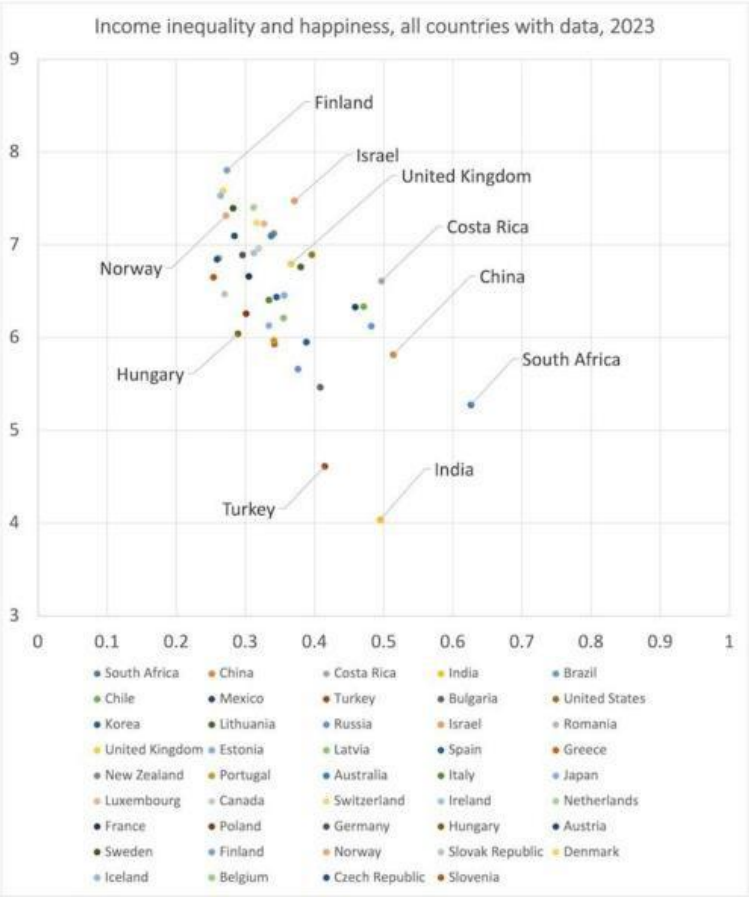
**Average levels of happiness and inequality by country**




*Average levels of happiness (vertical scale) and income inequality (horizontal scale). World Happiness Survey and OECD income inequality statistics*

The measure of income inequality used here is the Gini coefficient of income inequality, as reported by the OECD. It is the highest rate recorded in each county in any year after 2010 up to the most recent year for which there is data. The graph shows the close relationship between these two measures. In general, if income inequality is larger, money will matter more and people will be less happy.

Finland also has other attributes that may help people feel happier. It has a highly decentralised publicly funded healthcare system and only a very small private health sector. This is far more effective than some alternatives used in other countries. Public transport is reliable and affordable, and Helsinki airport is ranked as the best in northern Europe.

There is a Finnish proverb that seems relevant here: *Onnellisuus on se paikka puuttuvaisuuden ja yltäkylläisyyden välillä* (Happiness is a place between too little and too much).

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# How Finland compares

If we decide to compare Finland, Norway and Hungary, we will find out that these countries report similar levels of income inequality, yet people in Finland are, on average, happier. Why is this?

According to the World Inequality Database, the highest-paid tenth of people in Finland take home a third of all income (33%). That contrasts with the same group taking 36% in the UK and 46% in the US. These differences may not appear great, but they have a huge effect on overall happiness because so much less is left for the rest in the more unequal countries – and the rich become more fearful. When a small number of people become much richer, this is an understandable fear.

In 2021, it was suggested by a sociology professor that simply by having more reasonable expectations, people in Nordic countries appeared to be happier. However, that cannot explain why Finland is so very different from Norway on the happiness scale. All kinds of explanations are possible, including slight nuances of language as well as culture.

However, it is very likely that if a country has more equitable schools, where you will get a good education whichever you choose (like Finland), it will actually matter too. So too, if there is a better housing policy with a wide variety of social housing and lower homelessness, and a health service with better waiting times.

Finland ranks first, second or third in over 100 global measures of economic and social success – better than Norway does. And it has less money overall (and hardly any oil).

Why does Hungary do so badly despite the income gap between its people being hardly any wider than in Finland and Norway? It may be connected with its divided politics. In 2022, the European parliament suggested that "Hungary can no longer be considered a full democracy".

Freedom matters to people greatly, as well as freedom from fear, and that could explain also why Turkey and India have lower levels of happiness than their levels of economic inequality might predict. If a country limits the freedom of its citizens, it will definitely decrease their happiness.

In contrast, South Africa and China may be a little happier than their levels of inequality would suggest. South Africa became a democracy in 1994 shortly after Nelson Mandela was freed, and many people will remember the previous period. People in China are not as fearful as they are often portrayed in the west.

So what can the people of a country do if they want to be happier? The most important thing is to elect governments that will ensure the country becomes more equal by income. After that, ensuring your social services – school, housing and healthcare – are efficient and equitable matters most. And finally, consider your degree of freedom, whether you are actually including everyone in your surveys, and how fearful your population is.

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## 1. True or false?

1. Finland has been the happiest country on earth for the past three years, according to the World Happiness Survey.
    - True / False
2. The factors contributing to Finland's happiness include lower income inequality, high social support, freedom to make decisions, and low levels of corruption.
    - True / False
3. The Gini coefficient of income inequality is the measure used in the text, and the graph illustrates that there is hardly any relationship between income inequality and average happiness.
    - True / False
4. Finland's healthcare system is highly centralized, publicly funded, and has a small private health sector.
    - True / False
5. According to the World Inequality Database, the highest-paid tenth of people in Finland take home 33% of all income, which is the same as in the UK.
    - True / False
6. In 2021, a sociology professor suggested that more reasonable expectations could explain the happiness levels in Nordic countries.
    - True / False
7. Finland ranks first, second, or third in over 100 global measures of economic and social success, surpassing Norway.
    - True / False
8. Hungary's poor performance in happiness might be connected to its divided politics, as suggested by the European Parliament in 2022.
    - True / False
9. The text suggests that the degree of freedom, efficient social services, and higher income tax are crucial for a country's happiness.
    - True / False
10. South Africa and China may be happier than their levels of inequality would suggest, with South Africa becoming a democracy in 1994 and China portrayed differently from Western perceptions.
    - True / False

## 2. Match the words with their definitions.

| | |
|---|---|
| 1. Slight | A. The money or earnings that an individual or household receives, typically on a regular basis, often from employment. |
| 2. Survey | B. The unfair or uneven distribution of resources, opportunities, or wealth among different individuals or groups in a society. |
| 3. Income | C. Assistance, encouragement, or comfort provided by friends, family, or community to help individuals cope with challenges. |

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| 4. Reliable | D. A mathematical term representing a numerical factor that quantifies the relationship between two variables, often used in statistics. |
| 5. Corruption | E. Dependable and consistent; capable of delivering accurate results or trustworthy information. |
| 6. Social services | F. Priced reasonably and within the financial means of the majority, making it accessible to a broad range of people. |
| 7. Social support | G. Anticipations or beliefs about what is likely to happen in the future, based on past experiences or cultural influences. |
| 8. Inequality | H. Small or minor in degree; not significant or substantial. |
| 9. Coefficient | I. A system of government in which citizens have the power to participate in decision-making, often through elected representatives. |
| 10. Affordable | J. Public or government programs that aim to meet the basic needs of the population, such as education, healthcare, and housing. |
| 11. Expectations | K. A research method involving the collection of data from a group of individuals to gather information and insights on a specific topic. |
| 12. Democracy | L. Dishonest or illegal behavior, especially by those in positions of power, involving the misuse of public resources for personal gain. |

3. Fill in the blanks with the appropriate words from the list:

income, inequality, social support, corruption, coefficient, reliable, affordable, expectations, slight, democracy, social services, survey

1. _____:
   - A. The Gini _____ is used to measure the extent of economic disparities within a population.
2. _____:
   - B. Citizens have the power to participate in decision-making in a _____, where elected representatives govern.
3. _____:
   - C. _____ refers to the monetary earnings or resources received by an individual or household on a regular basis.
4. _____:

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- D. _____ is the dependable and consistent quality of information or results.

5. _____:
   - E. _____, such as education, healthcare, and housing, are essential for the well-being of the population.
6. _____:
   - F. _____ is the belief or anticipation regarding future outcomes, often based on past experiences.
7. _____:
   - G. _____ involves the unfair or uneven distribution of resources, opportunities, or wealth in a society.
8. _____:
   - H. _____ is assistance, encouragement, or comfort provided by friends, family, or the community during challenging times.
9. _____:
   - I. Priced reasonably and within the financial means of the majority, making it _____ to a broad range of people.
10. _____:
    - J. _____ involves the collection of data from a group of individuals to gain insights or opinions on a specific subject.
11. _____:
    - K. _____, especially by those in positions of power, can undermine the integrity of public institutions.
12. _____:
    - L. A _____ relationship between two variables can be measured using a numerical factor in statistical analysis.

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