**Does social development increase the happiness level? Evidence from global panel data**

**Isma Samreen1 and M Tariq Majeed2**

(1) MPhil Research Scholar in School of Economics Quaid-i-Azam University, Islamabad. Email: isma.samreen01@gmail.com.

(2) Associate Professor of Economics in School of Economics Quaid-i-Azam University, Islamabad. **Email:** **tariq@qau.edu.pk****.**

**Abstract**

*This study attempts to examine the links between social development and happiness. Social development plays a very important role in increasing the level of happiness. Social development leads to better education, health and more economic growth. The analysis is captured by employing panel data of 125 countries over the period 2014-2018. The empirical analysis is based on Fixed Effects Method (FEM), Random Effects Method (REM), Instrumental Variable Fixed Effects Method (IVFE), Generalized Method of Moments (GMM) and**Driscoll-Kraay Standard Errors. The empirical analysis demonstrates that social development has a positive impact on happiness. The study suggests that government should encourage such projects, which enhance the level of social development.*

**Keywords:** Happiness, Social development