

A Comparative Analysis of Happiness: Understanding Finland's Success and South Korea's Challenges

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Abstract

This study investigates the disparity in happiness rankings between South Korea and Finland. The World Happiness Report (WHR) consistently ranks Finland first, while South Korea lags at 57th. Key factors examined include GDP per capita, social support, healthy life expectancy, freedom of choice, generosity, and perceived corruption. Cultural differences also play a role; Finland emphasizes individualism and work-life balance, whereas South Korea's culture places high demands on academic achievement and work, leading to stress and reduced happiness. This comparative analysis reveals that Finland's comprehensive welfare system, mental health support, and flexible work policies contribute to its high happiness levels. In contrast, South Korea struggles with long work hours, a high-pressure education system, and insufficient mental health care. The study recommends policy changes in South Korea to enhance social support, promote work-life balance, and improve mental health services to boost national happiness.

Introduction

Happiness is a societal necessity since it is not only beneficial to citizens' mental and physical health but has many other second-order effects that contribute to society in many positive ways. It also helps the development of society because happier workers have higher work productivity. According to Forbes, an increase in one unit of

happiness on a scale from 0 to 10 resulted in a 12% increase in work productivity (Kohler). The World Happiness Report is a dedicated annual study that measures the happiness levels of almost every country globally. The World Happiness Report has been published every year since 2012, and the latest version, the version that this paper uses, was published in

2024. This case study aimed to find why South Korea is so prosperous but has such a mediocre ranking in the World Happiness Report. Multiple sources acknowledge South Korea as one of the wealthiest countries on earth, but according to the World Happiness Report 2024, South Korea is ranked 57th. Finland, however, has been ranked number 1 for six consecutive years. While Finland is a relatively wealthy country, ranking around 43rd globally, its culture and political practices clearly create high happiness levels for its people. As such, this study will perform a comparative analysis to understand the differences and similarities between the two nations and identify lessons Koreans and Korean lawmakers can learn from their European counterparts.

This study proceeds as follows: an explanation of the World Happiness Report, a detailed analysis of key factors followed by a comparative analysis of South Korea and Finland (the world's happiest country), policy suggestions for South Korean Lawmakers, and concluding remarks.

Explanation of the World Happiness Report

The World Happiness Report measures factors including GDP per capita, social support, healthy life expectancy, freedom to make life choices, generosity, and perceptions of corruption to determine overall happiness levels in different countries. In addition, questionnaires were given to people in all countries studied in the report, asking about their perceptions of the variables they have experienced in their lives and other questions. The answers to these surveys are then

weighted and collated, giving researchers a robust understanding of the self-reported happiness levels in all countries worldwide. South Korea is ranked 52nd in the world for the period 2021-2023, with a score of 6.058, and is just below Japan with a score difference of 0.002. In the data, confidence intervals were assigned to each country based on how much survey data was collected in that particular country. South Korea's confidence interval for the amount of data collected is 95%, which means that South Korea's overall ranking is at a maximum 42nd and minimum 67th.

On the other hand, Finland is ranked 1st with a score of 7.741. Even when taking into account Finland's confidence intervals, it remains in 1st place at both the upper and lower bounds. This shows that Finland has a higher Life Evaluation than any other country. This trend remains the same even when younger respondents are filtered out. The World Happiness Report defines "the young" as people below 30. Looking at how young South Koreans define the six variables, we can see that they rank the same as the overall responses at 52nd with a score of 6.503. Finland's situation is slightly different. People below 30 ranked Finland at 7th with a score of 7.300, which is a little lower than the overall data.

The discrepancies between South Korea and Finland are shown even more boldly when observing rankings of "the Old" and comparing them. When looking at these scores, which are people aged 60 and above, Korea is ranked 59th with a score of 5.642, scoring lower than the young. When looking at the ranking of Finland, the old ranked Finland 2nd with a score of 7.912, which means that the old are slightly happier than the young of Finland, showing the opposite trend compared to South Korea.

In conclusion, Finland and South Korea rank quite differently: Finland is among the top countries for

youth and elderly happiness, showing a high level of consistent happiness in all demographics, while South Korea ranks relatively low for a developed modern country, with reported happiness levels being low but relatively consistent.

Detailed Analysis of Key Factors

The following is a breakdown of the six key factors measured and correlated by the WHR to measure happiness levels in a nation. All of the following are based upon individual reporting from people surveyed in each nation and not based upon any other separate third-party indexes.

GDP per capita is one of the main determinants of the World Happiness Rankings since it shows how much a citizen in that country earns annually. After knowing the GDP per capita of a country, it is much easier to determine the level of the country's development since a higher GDP per capita usually means that the citizens have better access to goods and services, contributing to a higher standard of living. A higher standard of living usually means people are happier since they have greater financial freedom. The economic prosperity of a country is not only the fundamental aspect of overall well-being but the higher the GDP per capita it implies that individuals have the ability to meet the basic needs for their lives and provide themselves and their families the hope to pursue and eventually achieve their goals.

Social support also determines rankings in the World Happiness Report because it can show a

person's relationship with others. When a person has many friends or people they can rely on, they are happier than those who do not. The presence of such a relationship can lead to higher self-esteem, greater empathy, and many positive effects, which also have a knock-on effect of increasing overall happiness levels. Humans are social beings, which means that strong relationships are essential for the emotional support and resilience required to overcome the difficulties life throws at them.

The third factor is healthy life expectancy. Healthy life expectancy is the average number of years that a person can estimate that they will live in good health. Good health is needed to enjoy life and engage in activities. Health is a core component of living a longer and quality life and helps one's well-being.

Freedom to Make Life Choices shows the extent to which the individuals in the country feel they have control over their own lives and the ability to make decisions freely. Personal freedom usually means higher life satisfaction and happiness since people generally want agency over their own lives. When a person feels like people or an institution oppresses them, they usually have a low level of happiness.

In the World Happiness Report, generosity is a factor that measures the willingness of individuals in the country to help other people and also to contribute to their community. Generosity reflects social cohesion and the citizens' desire to support each other,

contributing to a positive social environment.

The final measure in the WHR is the reported levels of corruption in a country. Trust is essential between people. Without trust, relationships of all kinds, business, social, governmental, etc., cannot be maintained. Lower levels of perceived corruption are linked to greater trust between citizens and institutions, which helps contribute to a stable and fair society. If people do not trust their government and businesses, protests and demonstrations are commonplace in nations that will allow such behavior from their citizens. The World Happiness Report deems the levels of perceived corruption as an important factor determining happiness and includes them in the survey. Trusts for institutions and a fair society are needed to create a functioning democracy and foster happiness. When the opposite happens, where people think that their government and businesses have high levels of corruption, it leads to disillusionment and a lack of trust, negatively affecting the happiness of the people.

Comparative Analysis

This section will explore some critical similarities and differences between South Korea and Finland. One of the similarities between both countries is that they have a common problem: an aging population. According to the United Nations Economic Commission for Europe (UNECE), one person in ten of Finland's population is 75 years or

older as of 2018, and this number will grow continuously and reach 14% in 2030. The situation is also more extreme in South Korea. According to Time Magazine, South Korea is projected to be the world's most aged country by 2044, and the number of people in their 70s exceeded those in their 20s for the first time in 2023.

One of the key differences between South Korea and Finland is the amount of money spent on the military. When looking at the Defense Expenditure of each country as of 2022, South Korea used 2.78 percent of its GDP as Defense Expenditure, while Finland only used 1.4 percent of their GDP for the same category. This trend is predictable since the Korean War technically has not ended yet. As a result, South Korea has to use more money, both absolutely and proportionally, to protect its territory from further threats from North Korea. Finland also has employment that is more than twice that of South Korea. While South Korea has an unemployment rate of 2.6 percent, Finland's unemployment is 6.2 percent. (Country Economy)

South Korea has a cultural influence that might cause stress for some citizens. South Korea values community, family, and social harmony. Though strong family bonds and community support can enhance well-being and provide a robust support network during hard times, this can lead to pressure to conform and high expectations, often leading to undue stress. South Korea also has a long tradition of respect

for elders and a powerful sense of social hierarchy, which can limit personal expression in daily life and thus affect individual happiness. (Nagar) For Finland, the situation is different. Finnish culture values individualism and personal freedom, the opposite of South Korea. Higher levels of individualism can lead to higher levels of personal satisfaction and happiness since people feel they have control of their own lives and decisions. Finnish culture also emphasizes a good work-life balance, which is one of the significant contributors to Finland's high level of happiness. (Info Finland) On the contrary, South Korea is known for long work hours and a very unstable work-life balance among employees.

Both the South Korean and Finnish governments are actively working to increase the happiness level of their citizens. South Korea has implemented various programs to reduce youth unemployment, including job training programs, subsidies for small and medium-sized companies that hire young workers, and support for startups. While these initiatives have helped decrease the youth unemployment rate, challenges such as high competition and the emphasis on academic achievement over practical skills persist. (Im) On the other hand, Finland's Comprehensive Social Welfare System, which includes free healthcare, education, unemployment benefits, and comprehensive social security, has remarkably successfully reduced poverty and ensured high living standards for all citizens. This policy is a

significant contributor to Finland's high level of happiness. (Jungerstam and Wentjärvi)

Policy Suggestions for South Korean Lawmakers

South Korean Lawmakers should improve social support systems to help Koreans strengthen citizens' family and community networks. Research shows that Koreans currently do not have strong community networks and display low levels of social capital. This effect is particularly prominent in regions with high levels of income inequality. (Kang and Koo)

South Korean lawmakers should also consider some ways to popularize the social services that the government already provides for people. For example, a public official in Chungju City has done an excellent job advertising some new policies for citizens by uploading short, entertaining videos on YouTube, which became quite popular. Due to the fun videos and the creative method to promote initiatives, Chungju City's official YouTube account now has around 760,000 subscribers, the highest for any North East Asian city. (Jun) These types of accessible and entertaining media campaigns must be proliferated throughout Korea to spread the word about existing and new government policies that can help increase quality of life for citizens.

South Korea is infamous for having extremely long work hours. (Yeo) Though some companies in Korea use an autonomous work

commute system, most companies still follow their policy of 9 to 6 and have frequent mandatory overtime hours. The previous Korean government made a law that allowed employees to work only 52 hours a week; however, the new administration tried to increase this to 69 hours, causing outrage and public debate. (Lee) The culture of overtime work remains one of Korea's biggest social problems, decreasing the overall happiness of South Koreans. As such, the Korean government has to make policies or attempt to influence culture by incentivizing employers not to force their employees to work massive overtime. Following standards set by Finland could help, such as Finland's labour laws that allow for up to 50% of people's working hours a week to be flexible, depending on their schedule. Also, the generous maternity leave and the shorter standard workweek of 40 hours in Finland make the situation there much more appealing to workers. (Linden, Rosseau, and Webster)

Koreans, especially students, are known for their high suicide rate. According to BBC, 12,906 South Koreans committed suicide in 2022. 42.3% of all deaths among teenagers in South Korea are from suicide, with 50.6% of deaths of people in their 20s being suicide and 47.9% for people in their 30s. If there are better mental health care services and government programs to help students improve mental health, the suicide rate of Korean students will drop, which also increases the happiness of

Korea as a nation. Since suicide prevention initiatives and hotlines are not well known in the country, lawmakers should work on improving mental care health and access to experts who can help in times of crisis.

Korea is also known for its extremely difficult college entrance exam, the suneung. The massive pressure experienced by Korean students concerning this test is one of the main reasons Korean students have such a high suicide rate. Korean students typically go to 'academies' from elementary until they go into college, which is roughly 12 years. These academies, also known as cram schools, can see some students studying long into the night, with classes often going past midnight, thus causing them a lot of stress. The national exam can only be taken once per year, so the cost of failing this exam can create enormous pressure. (White) Once again, we look to Finland to see if we can garner any lessons. Their college entrance exams are spread out over several weeks and test fewer subjects than the Korean system. If Korean lawmakers make changes to the college entrance system, the stress experienced by students will absolutely decrease, and as such, the happiness of Koreans will surely go up.

Compared to the United States, neither South Korea nor Finland has a lot of incentives for donating to charities. Both nations do not have a lot of benefits when donating money except a small deduction in tax, which explains part of why there is a very low donation rate. As such,

if Korean lawmakers change the law so that there are more benefits for the people who donate money to charities or for the development of specific products, donation amounts will increase, thus creating a knock effect of increasing happiness.

Conclusion

South Koreans are not happy. This comparative analysis of South Korea and Finland's happiness levels reveals insights into the social, cultural, and political factors contributing to overall well-being. Despite its status as one of the most affluent countries in the world, South Korea's relatively low happiness ranking highlights the importance of factors beyond wealth, such as social support, work-life balance, and mental health care. On the other hand, Finland's consistent top ranking highlights the benefits of a comprehensive welfare system, personal freedom, and a country that creates robust levels of social trust. By understanding and implementing policies that foster these elements, South Korean lawmakers can improve the well-being of their citizens and strive towards a happier society.

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