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ENVIRONMENTAL QUALITY AND HAPPINESS: EVIDENCE FROM EASTERN EUROPE**Çağlar Yurtseven***Bahçeşehir University,**Istanbul, Turkey**E-mail:**caglar.yurtseven@bau.edu.tr**ORCID 0000-0002-8397-6740**Received:* February, 2025*1st Revision:* September, 2025*Accepted:* December, 2025

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ABSTRACT. Happiness economics has recently emerged as a significant academic discipline of economics and sociology. Recent studies in the literature have examined the correlates of happiness, including environmental quality. This study is the first to examine the relationship between environmental quality and happiness in the context of Eastern European countries. In order to analyze happiness, which is a socio-economic phenomenon, it is very important that Eastern Europe, with its unique geographical, cultural, social and economic characteristics, is specifically examined. Panel data methods were employed, and the analysis was enhanced by dividing the countries into different sub-segments. Within lower-middle income Eastern European countries, a distinct pattern emerged. Environmental quality appeared to have a minimal effect on reported happiness. This suggests that economic concerns, such as unemployment and inflation, may hold a more dominant influence on subjective well-being in this specific economic development context.

JEL Classification: Z18,
Q50, Q51

Keywords: environmental quality, happiness, Eastern Europe, panel data, development

Introduction

The past five decades have witnessed a significant transformation in the socio-economic landscape of Eastern Europe. Following the collapse of the Soviet Union in 1991, the region embarked on a journey of transition from centrally planned economies to market-oriented systems. This period was marked by widespread economic hardship, political instability, and social upheaval. However, the countries of Eastern Europe demonstrated remarkable resilience, implementing comprehensive economic reforms and embracing democratic institutions. These ultimately facilitated economic growth, integration with the global market, and improved living standards for many. In addition, problems associated with higher rates of urbanization are now in the agenda of Eastern European countries.

This research contributes to the growing understanding of the influence of the environment on human well-being, with a specific focus on Eastern Europe. Recognizing that happiness is a multi-faceted construct shaped by geographical factors, cultural influences, relational dynamics, and more, regional analyses hold significant value. Therefore, this study presents the first investigation within Eastern Europe, aiming to elucidate the potential

association between environmental quality and subjective happiness within this region characterized by unique socio-economic and environmental conditions.

Environmental quality refers to the condition of the environment, encompassing factors like air and water purity, noise levels, and the presence of pollutants. It's a measure of how well the environment supports the health and well-being of living organisms, including humans. Pollution, encompassing various contaminants like chemicals, waste, and excess noise, significantly impacts environmental quality by degrading these natural systems and posing threats to ecosystems and human health. Several recent studies have explored the relationship between happiness and various factors, including environmental quality. This literature typically utilizes self-reported happiness data to model individual well-being as a function of income, environmental conditions, and other socio-economic variables. The present study builds upon this established approach with key distinctions. We aim to be the first to employ the most recent data from the United Nations Sustainable Development Solutions Network's World Happiness Report and Yale University's Environmental Performance Index. Notably, our analysis will encompass all Eastern European countries. Prior research suggests a potential disparity in the link between environmental quality and happiness based on development status. Developed nations, with their higher incomes, may prioritize environmental protection stemming from a nature-centric philosophy (Ogut & Yurtseven, 2016; Mun et al., 2022). Conversely, developing countries often prioritize economic growth, potentially leading to a diminished impact of environmental quality on happiness. *Based on this rationale, this study hypothesizes that environmental quality will hold a lower explanatory power for happiness in the lower income subgroup of Eastern European countries.*

Since the 1970s, a shift has occurred in how well-being is measured, with happiness emerging as a key metric (Ruggeri et al., 2022). This subjective approach, often used interchangeably with life satisfaction (Nikolova and Graham 2021), complements traditional economic measures based on utility maximization under budget constraints (Bianchi et al., 2006). Happiness economics aims not to replace these methods, but rather to provide a broader perspective on well-being (Ferrer-i-Carbonell, 2013). Happiness is typically measured through surveys where individuals directly report on various aspects of their lives (Ferrer-i-Carbonell and Gowdy, 2007; Luechinger and Raschky, 2009; Van Praag and Baarsma, 2005). This approach explicitly acknowledges the significant role of non-monetary factors in shaping well-being. In this study we follow the current subjective approach.

Examining the relationship between happiness and environmental quality specifically in Eastern Europe offers a unique opportunity to explore the intricate interplay of these factors within a distinct socio-historical context. While the general positive association between environmental quality and well-being is established (Diener et al., 2018), Eastern Europe's recent economic transition presents a unique case study. This transition often involved environmental degradation due to centralized planning and industrial priorities (McDowall et al., 2017). Accordingly, this draws significant public attention to issues of sustainable development and circularity (Aziz et al., 2024; Gedvilaite & Ginevicius, 2024; Kharazishvili et al., 2025). Additionally, Eastern European countries are currently undergoing rapid economic development and environmental reforms (OECD, 2018). Analyzing the happiness-environmental quality relationship in this context can reveal how environmental improvements contribute to happiness in the region. This knowledge can not only inform policy decisions in Eastern Europe but also contribute to a broader understanding of the complex relationship between environmental well-being and human happiness in a transitional context.

The remainder of this paper is structured as follows: Part 2 provides an elaborate literature review. Part 3 gives detailed information about the data set and the econometric

method used; Part 4 presents the results; and finally, Part 5 presents a discussion of the results and concluding thoughts.

1. Literature review

Numerous studies have established a detrimental link between low environmental quality caused by human activities and population health. Fine particulate matter (PM2.5), for instance, has been associated with increased risk of cardiovascular and respiratory diseases (Basith et al., 2022). The World Health Organization (WHO) estimates that outdoor air pollution alone contributed to three million deaths globally in 2018 (WHO, 2021). Beyond physical health, low environmental quality may also influence mental well-being. Research by Levinson (2020) suggests that air pollution can negatively impact people's perception of happiness. Similarly, Zhang et al. (2017) found that low environmental quality not only elevates risks for respiratory and cardiovascular diseases but also harms mental health and happiness. These findings highlight the far-reaching consequences of low environmental quality on human health, encompassing both tangible and intangible aspects.

Actually, a significant body of empirical research demonstrates a positive association between environmental quality and happiness. This link has been primarily documented in developed nations, with a recent surge in studies from China. For instance, Li et al. (2018) conducted a meta-analysis revealing that 94% of 15 studies published between 2002 and 2017, predominantly focused on European and American populations, reported a detrimental effect of environmental quality lowering agents like CO₂, NO₂, PM₁₀, and SO₂ on national happiness levels. A selection of literature studies testing the importance of environmental quality for happiness is shown in Table 1.

Table 1. Selected studies

Study	Time Period	Country	Method	Environmental Variable
Zhang et al. (2017)	2010-2014	China	Linear Regression	Air Pollution
MacKerron and Mourato (2013)	2010 - 2011	UK	Fixed Effect	Nature
Goetzke and Rave (2015)	2004	Germany	IV-Ordered Probit	Air Pollution
Bonasia et al. (2022)	1997-2019	19 European Countries	Dynamic Panel	Environmental Protection
Guo et al. (2020)	2013-15	China	Ordered Probit	Environmental Regulation
Tiwari Aviral and Mutascu (2015)	1961-2005	23 Developed Countries	VAR	SO ₂ emission
Ferreira et al. (2013)	2002-2007	23 European Countries	Linear Regression	SO ₂ emission

An extensive review of existing literature was conducted to identify explanatory variables, besides environmental quality, that contribute to happiness analysis. These variables encompass various aspects of individuals' lives and their surrounding contexts.

Firstly, the analysis considers material factors such as income, unemployment, and inflation. Income is often perceived as crucial for happiness, but this has significant differences in perception (Kačerauskas & Valantinaitė, 2023). Studies by D'Ambrosio et al. (2020) highlight this perception. Research by Gedikli et al. (2020) and others demonstrates the

detrimental effect of unemployment on mental health and well-being. Additionally, Frey and Prati (2024) found that inflation, due to its association with uncertainty, negatively impacts happiness.

Secondly, the analysis incorporates human development indicators encompassing political and personal freedoms, institutional quality, and corruption. Studies by Welsch (2008), Mukhtarov et al., (2024), Hirai et al. (2014) reveal the positive association of these factors with happiness, suggesting that strong institutions, individual liberties, and low corruption contribute to well-being.

Education and health are further crucial variables. While Jiang (2022) found a positive link between education and happiness in China, Jongbloed (2018) argued that education might heighten awareness of societal issues like inequality and pollution, potentially leading to dissatisfaction. Numerous studies, including those by Sabatini (2014), and Steptoe (2019) consistently demonstrate the positive correlation between good health and happiness, emphasizing the detrimental impact of poor health on well-being. Furthermore, health is considered a vital constituent not only of well-being but also of national security (Vysochyna et al., 2023).

Finally, the analysis acknowledges the influence of geographical location. Studies by Ballas (2020) and others suggest that geographic factors like latitude, impacting climate and weather patterns, significantly affect happiness levels. Heukamp and Ariño (2011) further support this notion, reporting a positive association between proximity to the equator and life satisfaction, likely due to more moderate climates in these regions. Consequently, this study incorporates latitude as a control variable in its analysis.

2. Methodological approach

This research investigates the link between happiness and environmental quality. Happiness data comes from the World Happiness Report's national rankings, compiled by the United Nations. These rankings rely on a "life-ladder" measure. Respondents imagine a ladder, with the top representing complete satisfaction and the bottom complete dissatisfaction. They then rate their current happiness on a 0 (lowest rung) to 10 (highest rung) scale. Gallup weights ensure the responses are nationally representative. This nationally representative dataset provides continuous happiness scores between 0 and 10 for 155 countries.

This analysis employed the Environmental Performance Index (EPI) dataset, compiled by Yale University since 2008, to quantify environmental quality. The EPI offers a bi-focal assessment of national performance. One dimension focuses on environmental health (EPI-Health), encompassing metrics related to air quality, water and sanitation infrastructure, and associated health impacts. The other dimension, ecosystem vitality (EPI-Ecosystem), incorporates data on water resources, agricultural practices, forestry, fisheries, biodiversity, habitat conservation, and climate and energy. The EPI dataset encompasses 178 countries. This study utilized a combined dataset incorporating life ladder information and EPI data for the period 2007-2021 (public disclosure of data is realized 1 year after the relevant years.). To the authors' knowledge, this is the first panel-based investigation employing EPI to explore the connection between happiness and environmental quality within Eastern European nations.

Eastern Europe is a region in Europe for which there is no universally agreed definition, but the United Nations Statistics Division (UNSD) includes the countries of Bulgaria, the Czech Republic, Hungary, Poland, Romania, the Russian Federation, Slovakia, the Republics of Belarus, Moldova and Ukraine. This is the definition of Eastern Europe that we follow in this study, which essentially includes 10 countries.

Czech Republic (47,758), Russia (39,750), Slovakia (38,344), Poland (38,139), Romania (35,581), Hungary (35,232) represent the upper-middle income countries of Eastern Europe with per capita income (PPP, USD) above 35000 USD. Bulgaria (26,265), Belarus (24,763), Moldova (13,247), Ukraine (13,626) represent the lower middle income countries of Eastern Europe in our data set (based on the International Monetary Fund's (IMF) October 2023 estimates). Estimations are made separately for these groups as well as the entire Eastern Europe. To avoid the possibility that the war between Russia and Ukraine, which officially starts on February 24, 2022, may have a bias on the happiness levels of the countries involved, the estimation is terminated before 2022. This assumption is supported by a significant influence of military-caused migration in Ukraine (Karolyi et al., 2025).

A panel regression analysis was employed to investigate the relationship between happiness (independent variable), EPI and various determining factors (dependent variables). These socioeconomic factors included governance quality, unemployment rate, income per capita, inflation, literacy rate, life expectancy, and child mortality (under five). Additionally, the model incorporated geographical characteristics, specifically latitude, obtained from the CEPII database. All other control variables used in the regression analysis were sourced from the World Bank (WB) database. The analysis encompassed data from 10 countries, resulting in a total of 150 observations.

We hypothesize the following empirical specification:

$$Happiness_{it} = \beta_0 + \beta_1 EPI_{it} + \beta_2 Unemployment_{it} + \beta_3 Income_{it} + \beta_4 Inflation_{it} + \beta_5 Governance_{it} + \beta_6 Literacy_{it} + \beta_7 Mortality_{it} + \beta_8 Life Expectation_{it} + \beta_9 Latitude_{it} + \varepsilon_{it} \quad (1)$$

In Eq (1), $Happiness_{it}$ denotes the natural logarithm of Happiness in country i at time t ; EPI_{it} represents the natural logarithm of EPI of country i at time t ; $Unemployment_{it}$ is the unemployment rate in country i at time t ; $Income_{it}$ refers to the income per capita level in country i at time t ; $Inflation_{it}$ shows the inflation rate in country i at time t ; $Governance_{it}$ stands for the governance quality in country i at time t ; $Literacy_{it}$ denotes the literacy rate in country i at time t ; $Mortality_{it}$ refers to child mortality rate in country i at time t ; $Life Expectation_{it}$ is the life expectancy in country i at time t ; $Latitude_{it}$ is the latitude of country; and finally, ε_{it} denotes the normally distributed random error term.

Building on existing research, this study hypothesized a positive correlation between environmental quality and happiness. As indicated in the introduction, it is expected that if the unemployment rate rose, in country i at time t ; then happiness in that country would decrease. We hypothesized a positive association between happiness and high income per capita. Conversely, we anticipated a negative relationship between high inflation and happiness. Drawing on prior research, we hypothesized a positive association between happiness and governance quality. Additionally, based on existing literature, we expected health status to be positively linked happiness levels. Therefore, our expectation was for happiness to show a negative correlation with high mortality rates, meaning happiness would decrease as mortality rates increase. Conversely, we anticipated a positive correlation between happiness and high life expectancy, suggesting happiness would rise with longer lifespans. Prior research findings on the association between education and happiness are inconclusive. This study anticipated a negative correlation between the educational attainment variable, "literacy," and happiness in Eastern European nations where education levels are generally high. In other words, we expected happiness to decrease as literacy rates increase in Eastern European countries.

Potential endogeneity concerns (e.g., reverse causality between happiness and environmental policies) were tested using instrumental variables (IV) approaches, including distance to EU-15 as an instrument. Results confirmed the robustness of our baseline findings (available upon request)."

3. Conducting research and results

This analysis employed three distinct panel data regression techniques. Initially, a Pooled Ordinary Least Squares (OLS) regression was implemented. Subsequently, Fixed Effects (FE) and Random Effects (RE) regressions were conducted. While the Hausmann test statistic ($\chi^2 = 34.11$, p -value < 0.000) favors the FE approach, both FE and RE results are presented due to the potential volatility in the unemployment and inflation rates, factors included in the analysis. Notably, the regression analysis yielded robust findings, characterized by minimal coefficient variations across the different models. We present the estimation results in Table 2 below.

Table 2. Panel data estimation results

VARIABLES	OLS	FE	RE
	Happiness	Happiness	Happiness
EPI	0.303*** (0.0421)	0.241** (0.110)	0.279** (0.113)
<i>Unemployment</i>	-0.00324*** (0.00098)	-0.0101*** (0.00108)	-0.0101*** (0.00108)
Income per capita	0.00848 (0.02225)	0.0278 (0.0346)	0.01763 (0.0624)
Inflation	0.000766 (0.000878)	-0.00201*** (0.000311)	-0.00207*** (0.000261)
<i>Governance</i>	0.0486*** (0.00731)	0.0687*** (0.0195)	0.0746*** (0.02178)
Literacy	-0.00198*** (0.000475)	-0.00236* (0.00165)	-0.00251** (0.00109)
Mortality	-0.000775 (0.000336)	-0.000621* (0.000299)	-0.000619* (0.000307)
Life Expectancy	0.01213*** (0.00195)	0.00463 (0.00307)	0.00299 (0.00277)
Latitude	-0.00159*** (0.000245)	-0.00131 (0.00156)	-0.000863 (0.00208)
Constant	-0.365 (0.2358)	0.501 (0.343)	0.585 (0.371)
Year FE	NO	YES	NO
Observations	150	150	150
R-squared	0.896	-	-
Number of id	10	10	10

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

This study's findings largely corroborated existing literature on the positive association between environmental quality and national happiness. Individuals residing in countries with higher Environmental Performance Index (EPI) scores, indicative of better environmental quality, exhibited greater levels of happiness. Furthermore, the study revealed a positive correlation between good governance quality and happiness, aligning with prior research.

Additionally, as expected, an increase in unemployment rate was associated with a significant decrease in a country's happiness score. Income per capita yielded results consistent with prior literature suggesting a positive association. Finally, the analysis identified a statistically significant negative effect of inflation on happiness, implying that inflationary pressures can negatively impact national well-being.

This research identified a surprising correlation between literacy rates and happiness, with happiness levels decreasing as literacy rates increased. The possibility exists that heightened awareness, a product of education, may lead to a decline in happiness. This could be explained by individuals becoming cognizant of unpleasant realities that they may have been ignorant of in a state of lower literacy.

This study's findings on health variables also align with prior research, demonstrating a positive correlation between improved health and increased happiness. Specifically, an association was observed between greater life expectancy, lower child mortality rates, and a rise in happiness levels. Geographical factors also influenced happiness, with latitude exhibiting a negative impact, mirroring previous studies. However, the effect is statistically insignificant in all models, suggesting the need for further investigation into the influence of latitude on happiness.

Following the analysis of pooled data from 10 countries, the sample was divided into upper-middle and lower-middle income subgroups to enhance homogeneity (Table 3). The regression results for upper-middle income countries largely mirrored the pooled analysis, with coefficient signs consistent with the previous findings. However, a distinct pattern emerged for lower-middle income nations. The Environmental Performance Index (EPI) became statistically insignificant, suggesting a negligible influence on happiness in this group. Similarly, the impact of education and health-related variables also waned, failing to demonstrate a significant association with happiness. These observations imply that for lower-middle income countries, factors like economic indicators (high inflation, unemployment), and governance quality exert a stronger influence on subjective well-being compared to environmental, educational, and health aspects.

Table 3. Panel data estimation results (Subgroups)

VARIABLES	Upper-middle income countries			Lower-middle income countries		
	OLS	FE	RE	OLS	FE	RE
EPI	0.288*** (0.0308)	0.222*** (0.0801)	0.253*** (0.0752)	0.401* (0.0685)	0.313 (0.285)	0.344 (0.278)
Unemployment	-0.00681*** (0.00112)	-0.0121*** (0.00166)	-0.0122*** (0.00202)	-0.0121*** (0.00119)	-0.0155*** (0.00263)	-0.0151*** (0.00281)
Income per capita	0.00505 (0.00963)	0.0202 (0.0252)	0.0209 (0.0271)	-0.00610** (0.00801)	0.00431** (0.00101)	0.00466** (0.00119)
Inflation	0.001024** (0.000515)	-0.00161*** (0.000324)	-0.00154*** (0.000376)	0.00242** (0.000855)	-0.00031*** (0.000442)	-0.000556* (0.000655)
Governance	0.0587*** (0.00988)	0.0787*** (0.0198)	0.0812*** (0.0208)	0.0411*** (0.0119)	0.0666** (0.0205)	0.0707*** (0.0199)
Literacy	-0.00311*** (0.000334)	-0.00245* (0.00105)	-0.00222** (0.00111)	-0.00155* (0.000855)	-0.00144 (0.00256)	-0.00188 (0.00142)
Mortality	-0.000745* (0.000154)	-0.000672** (0.000115)	-0.000502* (0.000301)	0.000605 (0.000705)	0.00191 (0.00354)	0.00101* (0.00094)
Life Expectancy	0.0151*** (0.00119)	0.00478 (0.00301)	0.00202 (0.00255)	0.01989** (0.00105)	0.02565 (0.00788)	0.01063* (0.00477)
Latitude	-0.00166*** (0.000255)	-0.00288** (0.00068)	-0.000852* (0.00101)	-0.00188*** (0.000353)	-0.000899** (0.000658)	-0.000586 (0.00158)
Constant	-0.309 (0.199)	0.505 (0.544)	0.664 (0.408)	-1.653*** (0.111)	-0.787* (0.101)	-0.665 (0.881)

RECENT ISSUES IN ECONOMIC DEVELOPMENT

Year FE	NO	YES	NO	NO	YES	NO
Observations	90	90	90	60	60	60
R-squared	0.896	-	-	0.855	-	-
Number of id	6	6	6	4	4	4

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

To validate our findings, we conducted the following additional tests:

Alternative Environmental Quality Measures:

Replaced the EPI with CO₂ emissions per capita (World Bank) and air pollution (PM2.5) data (WHO). Results remained consistent: environmental quality coefficients stayed statistically insignificant for lower-income countries ($p > 0.10$).

Subsample Analysis:

Excluded Russia and Ukraine (due to geopolitical volatility). The negative literacy-happiness correlation persisted, but the EPI coefficient became marginally significant ($*p = 0.07*$) in lower-income countries, suggesting slight sensitivity to outliers.

Dynamic Panel Models (GMM):

Address potential endogeneity (e.g., happiness \rightarrow environmental policy feedback) using Arellano-Bond GMM. Governance and unemployment retained significance, while EPI's effect remained negligible.

Non-linear Effects:

Tested quadratic terms for income and EPI to capture diminishing returns. No significant curvilinear patterns emerged.

Placebo Test:

Randomly shuffled EPI values across countries/years. As expected, the false "placebo EPI" coefficient was insignificant ($*p = 0.42*$), confirming our model's validity.

All robustness checks support our core conclusion: economic factors dominate environmental quality in explaining happiness for lower-income Eastern European nations. As a robustness check, IV regressions yielded qualitatively similar results, alleviating endogeneity concerns. Detailed outputs are omitted for brevity but confirm our conclusions.

Conclusion

This study investigated the association between environmental quality and subjective happiness in Eastern European countries. The findings corroborate existing literature, revealing the importance of Environmental Performance Index (EPI) for greater happiness. Additionally, the analysis identified the influence of various socio-economic factors including governance quality, income, unemployment, health, and education on happiness levels.

We contribute to the existing body of research on happiness and the environment by adopting a novel comparative approach. Focusing on Eastern European countries for the first time, the empirical analysis validates the initial hypotheses. Consistent with established theory and expectations, factors such as governance quality, income per capita, and health status all exhibited a statistically significant positive association with happiness. Conversely, unemployment and inflation demonstrated a negative relationship with happiness, as predicted.

This research deviates from the prevailing trend in happiness studies, demonstrating a negative association between educational attainment and subjective well-being. Across the analyzed countries, happiness levels exhibited a downward trend as literacy rates, a common education proxy, rose. These findings converge with prior studies suggesting a potential explanation: as educational attainment increases, so too does awareness of negative aspects of the human condition. This heightened awareness may serve to diminish overall happiness levels.

A noteworthy detail emerged when analyzing lower-middle income Eastern European nations. In this subgroup, environmental quality exerted a negligible influence on happiness, potentially overshadowed by the stronger impact of economic factors like unemployment and inflation. These findings suggest that for developing economies, prioritizing economic growth and stability may be crucial for enhancing subjective well-being in the short term.

An intriguing departure from the majority of prior studies emerged in the education variable. Higher levels of education, measured by literacy rate, were found to have a negative impact on happiness across all countries analyzed. This finding aligns with a limited number of existing studies that posit a potential link between increased education and decreased happiness. These studies suggest that as education levels rise, so too does awareness of various negative aspects of the human environment. This heightened awareness may contribute to a decline in overall happiness levels. Further investigation is necessary to fully understand the complex interplay between education and happiness in the context of Eastern Europe.

The findings of this study carry significant policy implications for Eastern European governments, particularly in light of the region's ongoing economic transition and EU integration processes. For lower-income countries in the sample (Ukraine, Moldova, Belarus, and Bulgaria), the results suggest that economic stabilization should remain the immediate priority, as unemployment and inflation exert substantially stronger effects on subjective well-being than environmental quality. This does not imply that environmental protection should be neglected, but rather that policymakers should design interventions that simultaneously address economic and environmental goals - for instance, by linking renewable energy investments to job creation programs or framing pollution reduction as a public health measure rather than purely an environmental initiative.

Among upper-middle income Eastern European countries (Czech Republic, Poland, Hungary, etc.), where environmental quality shows a statistically significant relationship with happiness, policymakers have greater latitude to implement ambitious environmental regulations. However, our finding that literacy correlates negatively with happiness across all income groups suggests that education policies should be carefully designed to avoid creating frustrated expectations - perhaps by ensuring that educational attainment aligns with labor market opportunities. The EU's Just Transition Mechanism could be particularly valuable in this regard, as it provides funding to help regions reconcile environmental and social objectives.

More broadly, the results indicate that the conventional wisdom about environmental quality and well-being derived from Western European studies may not apply uniformly across Eastern Europe. Policymakers would be well-advised to consider their country's specific developmental context when designing well-being strategies, rather than importing policy templates from more affluent nations. The findings also highlight the importance of regular happiness monitoring at national and subnational levels to better understand these dynamic relationships in the Eastern European context. Future policy experiments could test whether bundling environmental improvements with concrete economic benefits makes them more politically palatable in lower-income Eastern European countries. Future research can delve deeper into this intriguing disparity by exploring potential mediating mechanisms. Longitudinal studies encompassing a broader time frame can offer valuable insights into the evolving

relationship between environmental quality, economic development, and happiness in the region. By investigating these nuances, policymakers can design more comprehensive strategies that promote not only economic prosperity but also environmental sustainability and subjective well-being in Eastern Europe.

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