

Public Investment and Subjective Well-being in Sub-Saharan Africa

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Abstract: This paper examines the impact of public investment on subjective well-being in Sub-Saharan Africa from 1995 to 2021, using data from 32 countries. Relying on key indicators of public investment and well-being, the study applies several econometric methods, including OLS, GLS, the Driscoll-Kraay estimator, and the system GMM approach of Arellano-Bover and Blundell-Bond. The findings reveal a positive, significant, and robust effect of public investment on subjective well-being. The results also highlight the crucial role of institutional and governance factors (such as democracy, public sector efficiency, and government size) in determining the effectiveness of investment projects in improving welfare. Overall, the study suggests increasing public investment volumes while strengthening governance mechanisms to enhance their impact on well-being.

Keywords: Public Investment, Subjective Well-Being, Happiness, Sub-Saharan Africa