

In economics, what is 'Easterlin paradox'?

This refers to the paradoxical relationship between the growth in the GDP of a country and the level of happiness enjoyed by its people. It is named after American economist Richard Easterlin who proposed the concept in his 1971 paper "Does Economic Growth Improve the Human Lot? Some Empirical Evidence". Easterlin argued that an increase in the GDP of a country did not always lead its citizens to become happier people as the marginal gain in happiness begins to decrease beyond a particular point. Critics, on the other hand, have contested the paradox saying that richer countries are generally happier than poorer ones.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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