

# Efficiency Analysis and the Measurement of Multidimensional Well-Being

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## **Paper Abstract:**

Using data from the Caucasus Barometer survey this paper derives measures of overall wellbeing for Armenia, Azerbaijan and Georgia. Correspondence analysis is first implemented to aggregate variables in each domain of well-being. Overall well-being is then derived via efficiency analysis (stochastic production frontier). This well-being is then regressed on several explanatory variables and the contribution of each of these explanatory variables to the R-square of the regression for overall well-being is obtained via the so-called Shapley decomposition. The list of determinants of overall well-being is then compared with that of material well-being.