

# **Basic needs satisfaction and subjective poverty: Evidence from rural Guatemala**

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## **Abstract**

Literature about subjective well being has been recently raised in economic science and has been most recently applied in developing economies. Following this line, this paper deals with the perceived basic needs fulfilment in a rural area in Guatemala. First, we discuss about the relationship between this concept and subjective well being. By reviewing particular aspects of the literature, we find that the concepts of capabilities, subjective well being and perceived basic needs are empirically related, but not related to income based approaches. Ordinal regression indicate that some characteristics not often found in standard databases (like certain livelihoods), are related to perceived basic needs fulfilment. We compare income poverty with basic needs poverty, finding that both measures do not match perfectly. From this evidence, we conclude that in order to better understand the influences of happiness in developing economies, it is necessary to first take into consideration the endemic factors of the region were the studied people dwell.

*Keywords:* Subjective well being, basic needs, poverty, agriculture.

*JEL Codes:* I31, I32, O13, O18.