

## **Happiness and Administrative Reforms: Evidence from a Natural Experiment**

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Recent developments in the well-being literature have applied a natural experiment framework to assess the causal effects of policies and life events on individual happiness (Burger et al., 2016; Clark and Stanca, 2017; Hajdu and Hajdu, 2015; Nikolova and Graham, 2015; Nikolova and Nikolaev, 2015; Stillman et al., 2015). I adopt this methodology to investigate the impact of the 1999 territorial administrative reform on the happiness of Poles. The reform transformed 49 NUTS3-like units ("old voivodeships") into 16 NUTS2 units ("new voivodeships") resulting in an increase in the geographical and the institutional distance between a substantial part of municipalities and voivodeship capitals (Kopczewska, 2013). Using difference-in-difference estimator and propensity score matching, I show that the reform had only a temporal influence on reported well-being of individuals living in the affected regions (i.e. the "old voivodeships" deprived of their regional capital).