Towards improved measurements of wellbeing

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What is wellbeing?

- Quality of life, living standards, human development, social welfare, utility, life satisfaction, needs fulfillment, empowerment, capability expansion and more recently happiness.
- Wellbeing can be generally defined as a description of the state of individuals’ life situation (McGillivray 2007).
- Intricately associated with our conceptualization of ‘the good life’
  - Social and environmental consequences.
Three traditions

- Three traditions of conceptualizing wellbeing:
  - Neoclassical Economics
  - Humanist tradition
  - Subjective wellbeing
Neoclassical Economics

- Linked to the philosophical school of utilitarianism.
  - Most prominent proponents are Jeremy Bentham (18th century) and John Stuart Mill (19th century).
- Utilitarianism claims that ‘pleasure is the only intrinsic good and that pain is the only intrinsic bad’ (Sinnott-Armstrong 2015, p. 2)
- The balance between pleasure and pain is utility.
- Utilitarianism: Society’s wellbeing is seen as the sum of the utilities of individuals.
- ‘The greatest happiness for the greatest number of people’.
- Utility → Preferences → Choice of consumption goods.
- Economic (GDP) growth → Human progress
Criticisms of GDP

- Disregards income disparity.
- Covers only economic transactions not social activities.
- Does not cover useful non-market activities.
- Non-productive activities such as pollution and its clean-up boosts GDP.
- Does not include the value of nature/ecosystems and community.
The Humanist Tradition

- Philosopher Johan Rawls (1971) took the focus to universal human needs.
- Wellbeing is ‘the possession of «social primary goods» or things that rational human beings need or desire - a concept similar to utility – but the method of aggregation was revolutionary.
- Maximization of societal wellbeing requires ‘maximizing the welfare level of the worst off person’ (Sen 1974, p.302).
- Capabilities approach (Amartya Sen and Martha Nussbaum) inspired by Rawlsian philosophy (Robyens 2005).
- Sen: human agency.
- Wellbeing ‘the ability to do valuable acts or reach valuable states of being’ (Sen 1993, p. 30)
Humanist tradition

- Capabilities = freedom to choose
- Functionings = doings and beings.
- Human Development Index (education, life expectancy, income)
- Criticisms:
  - Does not reflect ecological considerations
  - Income inequality
  - Opens itself to criticisms of GDP
- Satisfaction of fundamental human needs
  - Maslow (1954)
  - Max-Neef (1991)
Subjective well-being (SWB): ‘an individual’s own assessment of his or her own life – not the judgment of experts – and includes satisfaction, pleasant affect, and low negative affect’ (Diener 2004 in Bruni 2010).

Community wellbeing (satisfaction with community and community life domains) (Sirgy 2010, 2011).

Global Happiness Report.
## Indicators of wellbeing

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<td>Economic conditions</td>
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<td>Social conditions</td>
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<td>Subjective measurements</td>
<td>At the level of the individual in relation to own life</td>
<td>Positive affect, negative affect, evaluation of life</td>
<td>Satisfaction with life on a scale from 1-10</td>
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<td>At the level of the individual in relation to community</td>
<td>Community wellbeing, community commitment and social ties</td>
<td>Satisfaction with community and community life</td>
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MEASUREMENTS OF WELLBEING

Business and Economics
- Favorability for business development
- Economic condition
- Social and environmental responsibility of businesses

Values
- Law and order, immigration, religion
- Civic duties (volunteering)
- Respect for the intrinsic value of nature and other living beings

Psychological
- Affective (positive and negative emotions)
- Evaluative (life satisfaction)
- Functional wellbeing (self realization)

Social capital
- Local community fabric (reciprocity, community work)
- Trust
- Social network
- Media use (as a proxy for poor social network)

Living Standards
- Socio-economic indicators
- Informal, non-market economy

Environment and Energy
- Environmental consciousness
- Quality of air and water
- Satisfaction with environmental protection policies
- Own actions to actively protect and nurture nature

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Thank you for your attention!