



Happy Society Associate
towards happy society and peaceful world

Subjective-well-being: New paradigm for measuring progress and public policies^{*}

Sauwalak Kittiprapas[†]

Abstract

The old paradigm of development focusing on economic prosperity and growth as a prime development goal often neglects other aspects of life and society. Subjective aspects of human and societal well-beings which are crucial to human' happiness and social quality have been ignored. Research findings show that income and also objective well-being may not correlate with happiness or subjective well-being. Therefore, a new paradigm of development has to capture subjective aspects which can bring happiness to people in the society. Subjective aspects should also be reflected in the measurement of progress of the society. There is a need to rethink what progress of the society means and what should be measured. Real progress should foster human well-being and development in holistic concept with relation to mind, spiritual, physical, social, and environment. Thus, the measurement of progress has to consider higher aspects in quality of life and development beyond basic economics element or GDP. Measurement of progress should incorporate subjective well-being together with objective well-being measurement, which will be useful for policies aiming to increase happiness of the people. Measurement of subjective well-being, which may encounter some difficulties, has been developed with various techniques. Researches on domains of subjective well-being will provide insights for policy implications, of which findings can vary in different societies with different social or country specific circumstances.

Introduction

While countries have become economically wealthier, many have observed a coincidence between increasing economic prosperity and decreasing social, spiritual, and environmental wealth. Increasing social inequality takes place both within- and between-countries. Environmental deterioration continues to produce long-term damages that have substantial effects on humans. There have been increases in violence, crime rates, drug abuses, stress and suicides, pandemic diseases, social and

^{*} Contributed paper for 3rd OECD World Forum on Measuring the Progress of the Society, 27-30 October, 2009, Busan, Korea.

[†] Director, Happy Society Associate and former Director of Public Policy Development Office, Thailand. E-mail: skittiprapas@gmail.com Website: www.happysociety.org

psychological problems all over the world. These have also reflected the decline in spiritual wealth. Do these reflect the misguiding in our development framework and goal?

The old paradigm of development heavily focus on economic prosperity often neglects other life and societal aspects when trying to achieve economic growth as a prime development goal. Subjective aspects of human and societal well-beings which are crucial to human' happiness and social quality have been ignored, as only economic growth has been used to measure the progress of the society. Have people been happier with the increase in country economic prosperity? It is unlikely, as the two are not the same. Experiences from researches in many countries have evidently shown that rising in income per capita does not always bring the rise in happiness in the long run. Although limited scope and definition of well-being in conventional economics has been discussed, economic growth (reflecting by GDP) has long been used as only key indicator for measuring the progress of country development. Therefore, time has come to review and debate on what progress of the society and the development means, and there is a need for a new paradigm for development towards happiness and well-being, green growth and sustainable development, beyond economic prosperity or GDP.

Paradox of income, objective well-being, and subjective well-being

What we have believed that economic wealth will bring the increase in happiness may be a misunderstanding for a long time. International experiences from researches have evidently indicated that continued rising income per capita beyond a certain level does not bring the rise in happiness or subjective well-being. Particularly, recent evidence of world studies by Easterlin and Angelescu (2009) - taking data from 37 countries - confirms the unrelated of happiness and income overtime in developed, developing, and transitional countries, although at a point in time increasing in income can lead to increasing in happiness, especially for poorer countries. Overall, the continued rise in country economic growth has not significantly affected population happiness in the long run. In fact, many researches by case-country studies, using long-term data, have confirmed this paradox of income and happiness earlier; for example, Easterlin (1974), and Clark. et al. (2006) for the case of US., and Kusago (2007) for the case of Japan.

Not only income and happiness, but also objective well-being and happiness (reported by subjective well-being) are unrelated. Current measurement on well-being mainly focuses on objective well-being may not be able to reflect people' happiness or subjective well-being. For example, it is evident that Japanese cities with high objective well-being (represented by Human Development Index –HDI) rank are not in high rank of subjective well-being (Kusago, 2007).

Therefore, research evidences show that income and happiness are not always the same, as well as objective well-being and subjective well-being are not the same. Both income and objective well-being measures cannot represent subjective well-being. This calls for a further step of measurement progress.

Subjective well-being: new paradigm for the measuring progress of societies

Subjective well-being has recently been a challenge for measurement of development progress and public policies. A new paradigm of development has to capture subjective aspects which can bring happiness to people in the society, and the progress of the society means to reflect those aspects. Therefore, the progress of societies has to cover higher aspects in quality of life and development beyond basic economics elements. Progress should foster human well-being and be conceptualized towards the goal of happiness that involves other life aspects such as physical, mental, environmental, social, and spiritual well-being.

New development of measuring progress should incorporate subjective well-being together with objective well-being measurement. As the current measurement of development progress mainly contains objective ones, there is a need to develop suitable measurement for subjective aspects.

Regarding current development of measurement, a subjective well-being measurement can be done by surveys of individual's satisfaction. Human happiness can be more understood and measured by listening to what human beings say. With this respect, self-reported surveys have been used to reflect individual subjective well-being. There are different techniques of such surveys, which includes single item (overall life satisfaction) or multiple item (multiple factor) questions on well-being (Kittiprapas. et al., 2009). In addition, responsive scale of reported self-satisfaction (from 0 to 10) is a subject of discussion whether it should be changed from bipolar scale to unipolar scale of reporting level of individual happiness – ranging from not happy at all to completely happy (Cummins, 2009).

While researches and development organizations are trying to develop valid measurement for well-being, they may encounter some problems and difficulties. As is true with any other measures, subjective well-being is subject to measurement errors and biases. Not only sufficient data is required, but statistical techniques must also be applied to correct such possible flaws before one makes definite policy decisions based on these measures. Despite its potential limitations, subjective well-being data has been shown to be of some significant validity and a good proxy for the individual's utility. Further, the structure of happiness regression equations -- regressions with a measure of subjective well-being as the dependent variable -- has been shown to have a consistent pattern in the United States, Europe, and many other countries around the world (Kittiprapas et. al, 2009).

To qualify subjective well-being as a development and policy goal, responses of subjective well-being measures must be testable. One needs to know whether and, if so, how subjective well-being, such as happiness, measures respond to a policy intervention and a change in objective circumstances. Therefore, a first requirement for subjective well-being indicators to effectively be used as a policy goal is for them to be sensitive to a policy intervention (Diener, 2006). Moreover, to study temporal changes, longitudinal data or time-sampling and diary-recording of experiences of the target population are needed. Varying frequencies of data collection can lend information on short-term, medium-term, and long-term changes in and effects of a given policy intervention on subjective well-being. Measurement techniques are still a

big challenge to make policy makers accept to use subjective data for policy planning with confidence (Kittiprapas et. al, 2009).

Placing subjective well-being in policy goals:

A shift of development and policy goals from economic prosperity to human happiness or subjective well-being requires good measures of well-being and thorough studies of how these measures can impact public policies. As most of governments all over the world have long used objective measurement to guide their policies, subjective wellbeing or happiness measurement should also be integrated to guide those policies. Given research findings that income and also objective well-being are not the same as happiness or subject well-being, public policies should aim to incorporate subjective wellbeing and results from such studies into policy plan. The relationship between subjective well-being and public policies should be seriously considered.

A number of researches on subjective well-being have provided useful policy implications as they indicate important domains/ factors that significantly affect people' happiness. The discussion of relevant researches provide guidelines to public policies for both economic and non-economic aspects that are most influential to subjective well-being; for example, income, health, family, work, and social network among others. Kittiprapas et.al. (2009) drawing policy implications from the International Conference on Happiness and Public Policy, held in Bangkok in 2007, suggests: reducing poverty as well as social and economic inequality, providing basic needs and generating income streams for the poor; enhancing people' standard of living, keeping people healthy and educated; utilizing technology to improve people' well-being; improving labor market condition, cooperative work and peer-production; providing social insurances and the elderly retirement plan; promoting savings and social capitals with trust, unity, family relation and social networks; promoting freedom and good environment; as well as supporting self-contentment and positive values, spiritual well-being and mind development.

However, the significance of each factor to population happiness in different societies can vary, depending on country specific circumstances; i.e, levels of socio-economic development, culture, religion, political system, degree of openness, etc. Therefore, more micro research on happiness can provide more insightful issues in order to design policies in details suitable to different groups/ societies/ nations with different cultures.

Thus, policy focuses can be different in different countries or societies with different levels of development and culture. However, the bottom line is poverty reduction, especially in low-income countries/ societies whose income levels lower than basic need standards. Not only because filling with basic needs can increase happiness for the poor, but it is rational theoretically to increase overall happiness of nations by generating income stream to the poorer. Given the diminishing marginal return of happiness to income, giving a certain income share to the poor would produce more gain in happiness than giving the same amount to the richer. As research evidences show that long-run GDP growth have low (or no) impact on happiness, policy makers may shift policy focus from aiming for high GDP growth to be poverty reduction. Given the negative effect of social comparison and income inequality on individual

and societal happiness, in order to increase the country's overall happiness, it is rational for public policies to aim at reducing poverty and income disparity.

Reducing socio-economic disparity is crucial, especially for developing countries having high income gap. In light of social comparison, subjective feelings of parity or equality are important in maintaining individual happiness. To reduce negative impacts of social comparison, the concepts of self-contentedness and mind/spiritual development can be promoted, particularly fit in Eastern culture. Based on Buddhist economics and philosophy, the origin of happiness comes from the state of mind and wisdom; therefore, well-trained mind with mindfulness can bring happiness. This spiritual wealth leads to happiness (at low or no economic cost). In Western culture, factors like freedom, quality of life, and democratic society can be seen as crucial.

However, not only happiness research on causal relationships—which is important for policy design, but the evaluation on policy effectiveness and impacts of the policy to different groups of people in the society (or to different family members in the family) is also crucial and calls for carefully policy consideration.

Policy makers will also need to be up to date with new approaches and findings in the literature with regards to new types of well-being measures, methodologies, and how a variable's impact on subjective well-being changes as more data become available. The consistency and the accuracy of survey data need to be established before they are used in research on subjective well-being. Longitudinal data, particularly in developing countries with no long-term data on reported subjective well-being, need to be developed. Interdisciplinary work may be needed for adopting, by taking advantages of, different disciplinary tools to analyze causes and effects of one's happiness or subjective well-beings.

Moving forward to put subjective well-being in policy goals and plans, there are still many policy concerns and measurement issues to be considered. What kinds of policy instruments particularly suitable for each society? How public policies keep increasing population happiness in the long run? Whose happiness is particularly concerned, especially in highly conflict societies? Can the increase in overall national happiness fit to the ideal of Pareto-optimum? How to make more valid measurement to guide better policy? What kinds of database needed to be development systematically and most useful for researches and policy plans? These are many challenges ahead.

References

- Clark, A.E., P. Frijters, and M.A. Shields (2006), 'Income and Happiness: Evidence, Explanations and Economic Implications,' *Journal of Economic Literature*.
- Cummins, R. (2009), 'Why the response scales in the PWI should change from bipolar to unipolar', paper presented at ISQOLS Conference "Measures and Goal for the Progress of Societies", Florence, 19-23 July, 2009, organized by International Society for Quality of Life Studies (ISQOLS).
- Diener, E. (2006), 'Guidelines for National Indicators of Subjective Well-Being and Ill-Being,' *Journal of Happiness Studies*, 7(4), 397-404.
- Easterlin, R.A. (1974), 'Does Economic Growth Improve the Human Lot? Some Empirical Evidence,' in P.A. David and M.W. Reder (Eds.), *Nations and Households in Economic Growth: Essays in Honor of Moses Abramowitz*, New York and London: Academic Press.
- Easterlin, R. and L. Angelescu. (2009), 'Happiness and Growth the World Over: Time Series Evidence on the Happiness-Income Paradox', paper presented at ISQOLS Conference "Measures and Goals for the Progress of Societies", Florence, 19-23 July, 2009, organized by International Society for Quality of Life Studies (ISQOLS).
- Kusago, T. (2007), 'Japan's Development: what economic growth, human development and subjective well-being measures tell us about?' paper presented at International Conference on "Happiness and Public Policy", Bangkok, 18-19 July 2007, organized by Public Policy Development Office under the Office of the Prime Minister of Thailand and UNESCAP.
- Kittiprapas, S., O. Sawangfa, C. Fisher, N. Powdthavee, and K. Nititiphrut. (2009), *Happiness: New Paradigm, Measurement, and Policy Implications*, the Synthesis from the International Conference "Happiness and Public Policy", July 18-19, 2007, Bangkok: Happy Society Associate.
- E-book in website: www.happysociety.org



Happy Society Associate

towards happy society and peaceful world