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The Quality of Life

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Introduction

The central purpose of a nation should be to improve the quality of life of its people. It follows that the primary function of public policy should be to improve quality of life; it is an important means to that end. This is not necessarily the assumption on which other chapters are based, nor is it the basis of social science scholarship more generally. Nevertheless, in this chapter I will set out the arguments in favour of this broad approach to the aim and purpose of this book, examine the role and contributions of the social sciences at this level, and consider the implications for public policy.

Put another way, I am not primarily concerned with specific public policy issues, but with the social and political framework within which public policy decisions are made. This perspective is intended to complement, not contradict, the tighter policy focus of other chapters. We need both approaches: the practical achievements of policy reform, but also to ensure this reform reflects and reinforces a more profound re-evaluation of the principles and beliefs that underpin policy thinking and development.

I begin by describing the central importance accorded to economic growth in public policy, and its rationale. I challenge this emphasis on several grounds: the relationship between wealth and wellbeing, at both a national and individual level; patterns and trends in health; public perceptions of quality of life; the evidence provided by other indicators, including alternatives to Gross Domestic Product (GDP); and the effects on wellbeing of the cultural trends in materialism, individualism and consumerism. I then outline the need for a transition from material progress to sustainable development as 'the defining idea' of how we improve quality of life, before, finally, discussing the policy implications of this conceptual shift.

I define quality of life as the degree to which people enjoy the conditions of life (social, economic, cultural, environmental) that are conducive to total wellbeing (physical, mental, social and spiritual). Quality of life is both subjective and objective, as much a matter of how we feel about our lives as about the material conditions in which we live.

Going for growth

Australian governments give overriding priority in public policy to economics, believing economic growth to be the basis for improving the wellbeing of the Australian people. This position is shared by the major political parties, a 'policy constant' that is largely beyond scrutiny or debate. The Prime Minister John Howard made much of his

Government's economic record during the 2004 federal election campaign, claiming repeatedly that a strong, growing economy was critical to Australia's future.

In a major speech, 'Getting the big things right', Howard (2004) said: 'Maintaining a strong, dynamic and growing economy is the...overriding responsibility of government' (along with, now, national security and defence). At a World Economic Forum dinner six years earlier, Howard (1998) stated unequivocally: 'The overriding aim of our agenda is to deliver Australia an annual (economic) growth rate of over 4 per cent on average during the decade to 2010'. This aim is reflected in the Government's overall policy objective for Treasury: 'strong, sustainable, economic growth and the improved wellbeing of the Australian people' (Henry, 2004). Indeed, Treasury's mission statement is 'to improve the wellbeing of the Australian people'.

The primacy of growth is at the heart of the concept of material progress, which regards economic growth as paramount because it creates the wealth necessary not only to increase personal freedoms and opportunities, but also to meet community needs and national goals, including addressing social problems. In public policy terms, economic growth means more revenue, bigger budget surpluses, and so more money to spend on more or bigger programs, including on health, education and the environment. As Howard (2004) said:

If we can sustain our overall growth rates...we will be a \$1 trillion economy in around seven years time [compared to more than ten years at previous rates]...By 2015, the difference in national income would be about \$135 billion a year in today's dollars. That's a difference of an extra \$12 billion a year for health and more than \$8 billion for education at current spending patterns...

In other words, as Howard has often stressed, the Government's economic objectives are not ends in themselves but the means for satisfying human needs. 'Economic reform is about making people feel more secure, happier, more able to care for their families' (Grattan 2000). Just how well do the means serve these ends?

Growth and wellbeing

There are, on the face of it, good grounds for the equation of more with better. *The Spectator* magazine recently claimed that 'we live in the happiest, healthiest and most peaceful era in human history' (Hanlon, 2004). And if now was good, it argued, the future would be even better. The belief that we live in the best of all times has been most famously and controversially articulated in recent years by Lomborg (2001) in *The Skeptical Environmentalist: Measuring the Real State of the World*.

Lomborg (pp. 351-2) concludes that mankind's lot has improved vastly in every significant measurable field and that it is likely to continue to do so: '...children born today – in both the industrialised world and developing countries – will live longer and be healthier, they will get more food, a better education, a higher standard of living, more leisure time and far more possibilities – without the global environment being destroyed. And that is a beautiful world'. Like many others, he credits this achievement to material prosperity resulting from economic growth.

Historically, economic growth has been associated with many indicators of improved quality of life. Today, many more people are living much richer, longer lives than ever before (Maddison, 2001). In the year 1000, there were about 270 million people in the world who, on average, could expect to live about 24 years and earn about US\$400 a year (in today's dollars). Today there are over 6 billion people on earth who, on average, can expect to live about 67 years and earn almost US\$6 000 year. All parts of the world have shared in the gains. In the developed world in the past two hundred years, per capita GDP has risen about twenty-fold, and life expectancy has more than doubled. In the rest of the world, per capita GDP has increased more than five-fold and life expectancy has also more than doubled.

However, a closer examination of the evidence shows that the picture is rather more complex than these simple correlations indicate, even when we just look at the associations at a broad, international and historical scale. Quality of life is not the same as standard of living, and how well we live is not just a matter of how long we live, especially in rich nations such as Australia. Other issues that we need to take into account in explaining these trends include the role of other factors such as the growth in knowledge and innovation; improvements in governance, social justice and civil rights; and an expanded role of government in the provision of services such as education, health care, welfare and water and sewerage (Eckersley, 2004: 25-42). Comparisons of per capita income and happiness in different countries show that at low income levels, the relationship is strong; above about US\$10,000 a year, the correlation is close to zero (Diener and Seligman, 2004). Across countries, happiness is more closely associated with democratic freedoms than with income. It is also strongly linked to equality, stability and human rights.

When we look at the relationship between income and wellbeing within countries – that is, between individuals or groups – we find population happiness has not increased in recent decades in rich nations, (over 50 years in the United States) even though people have become, on average, much richer (Diener et al, 1999; Diener and Seligman, 2004; Eckersley, 2004: 77-104). We do, however, find that the rich are happier than the poor, especially in poorer countries but even in rich nations. While it is often said that money can't buy happiness, most surveys suggest happiness grows with increasing income.

The surveys also show, however, that the relationship is strongest at low incomes, where money improves living conditions and alleviates hardship. Beyond these benefits, wealth has symbolic value as a measure of social status, and status affects wellbeing through the social comparisons it defines. So income-related differences in happiness will persist no matter how high average incomes rise as a result of economic growth.

Overall, the research evidence shows that money matters most when it helps us meet basic needs; beyond that the relationship between wealth and wellbeing becomes more complex. This is apparent when we look at the ingredients of personal wellbeing, of which money is one of many, and by no means the most important.

The art of happiness

We often think of, and measure, wellbeing as happiness or satisfaction with life. This 'subjective wellbeing' is shaped by our genes, our personal circumstances and choices, the social environment in which we live, and the complex ways in which all

these things interact (Diener et al, 1999; Diener and Seligman, 2004; Eckersley, 2004: 77-104; Myers, 2004). The social sciences, especially sociology, economics and psychology, have greatly improved our understanding of wellbeing.

A good marriage, the company of friends, rewarding work, sufficient money, a good diet, physical activity, sound sleep, engaging leisure and religious or spiritual belief and practice: all these things enhance our wellbeing and their absence diminishes it. Optimism, trust, self-respect and autonomy make us happier. Gratitude and kindness lift our spirits; indeed, giving support can be at least as beneficial as receiving it. Having clear goals that we can work towards, a 'sense of place' and belonging, a coherent and positive view of the world, and the belief that we are part of something bigger than ourselves, also foster wellbeing.

The effects of material conditions on wellbeing are powerfully influenced by perceptions and expectations. Adaptation and social comparison are especially important. We tend to adapt to changes in our situation, whether it's gaining something or losing it. We also assess our position relative to others; comparing favourably makes up happier, comparing unfavourably diminishes us. The gap between our aspirations and our achievements also matters.

All in all, wellbeing comes from being connected and engaged, from being suspended in a web of relationships and interests. These give meaning to our lives. We are deeply social beings. The intimacy, belonging and support provided by close personal relationships seem to matter most; isolation exacts the highest price.

Many of the qualities and characteristics associated with wellbeing are also related to physical health, including longevity (Eckersley, 2004: 59-76). Socially isolated people are two to five times more likely to die in a given year than those with strong ties to family, friends and community. Wellbeing itself has a central role in these associations, improving health through direct physiological effects on the immune and neuro-endocrine systems and by influencing diet, exercise, smoking, drinking and other lifestyle behaviours.

Other perspectives on quality of life

To understand quality of life fully, however, we need to go beyond measures of personal happiness or life satisfaction. Asking people how happy or satisfied they are paints a somewhat rosy picture of life (Eckersley, 2004: 77-104). It suggests most of us are mostly happy most of the time; the average Australian rates their happiness or satisfaction at about 75 per cent. If people have not become happier over time, nor do they appear to be unhappier today than in the past.

The reason is that the 'art' of happiness includes the use of various cognitive devices to maintain it, including holding illusory self-beliefs, rationalising our situation and mitigating negative experiences. To a point, at least, we take our situation as a given, and assess our wellbeing within that context. So subjective wellbeing measures tend to discount broader social conditions; they tell us something about our quality of life, but not everything we need to know to evaluate it. Other perspectives, including trends in some health problems and in public perceptions of quality of life, offer a very different picture of life today. Again, the social sciences are contributing to knowledge in these areas.

Young people's lives reveal most clearly the tenor and tempo of our times. While their health, when measured by life expectancy and mortality, continues to improve, adverse trends in young people's health range across both physical and mental problems, and from relatively minor but common complaints such as chronic tiredness to rare but serious problems such as suicide (Eckersley, 2004: 147-69).

A fifth to a third of young people today are experiencing significant distress at any one time, with some estimates of the prevalence of a more general malaise reaching 50 per cent. A quarter of Australian children today are overweight or obese, and this proportion is increasing by almost one percentage point a year; inactivity has also increased (Hoban, 2005). These changes place the children at risk of a wide range of health problems later in life, including diabetes, heart disease and cancer.

Illustrating the often sharp contrast between life satisfaction measures and other indicators, a recent study of young Australians found over 80 per cent said they were satisfied with their lives – including lifestyle, work or study, relationships with friends and family, accomplishments and self-perceptions – but that 50 per cent were experiencing one or more problems associated with depression, anxiety, anti-social behaviour and alcohol use (Smart and Sanson, 2005).

Public perceptions of quality of life

Declining quality of life is also apparent in people's perceptions of life in Australia. Average satisfaction with national conditions rates at about 60 per cent, 15 percentage points below personal satisfaction (Eckersley, 2004: 105-25). Asked about trends in quality of life, about twice as many Australians say it is getting worse as say it is getting better. Recent studies, both qualitative and quantitative, show many people are concerned about the materialism, greed and selfishness they believe drive society today, underlie social ills, and threaten their children's future.

We yearn for a better balance in our lives, believing that when it comes to things like individual freedom and material abundance, we don't seem 'to know where to stop' or now have 'too much of a good thing'. Common concerns include: stress, drugs, crime, mistrust, the widening gap between rich and poor, financial pressures, growing job insecurity and work pressures, and, more recently, refugees and terrorism.

For example, sociologist Michael Pusey (2003) found over a half of those surveyed in his Middle Australia Project felt quality of life was falling, with the most common reasons given being, in order: too much greed and consumerism; the breakdown in community and social life; too much pressure on families, parents and marriages; falling living standards; and employers demanding too much. Most people believed family life was changing for the worse, citing the breakdown of traditional values; too much consumerism and pressure to get more money and buy things; a breakdown of communication between family members; and greater isolation of families from extended family networks and the community.

Some studies make quite explicit the tension between concerns about quality of life and the political emphasis on growth (Eckersley, 2004: 115-6). One found that 75 per cent of Australians agreed that, 'too much emphasis is put on improving the economy and too little on creating a better society', another that 83 per cent agreed that 'Australian society is too materialistic, with too much emphasis on money and not enough on the

things that really matter'. Another survey revealed that, in contrast to government priorities, 'maintaining a high standard of living' ranked last in a list of sixteen critical issues headed by educational access, children and young people's wellbeing, and health care – things many Australians believe are being sacrificed to *increase* standard of living.

Objective measures

While self-reported happiness and public attitudes are important aspects of quality of life, it is important to acknowledge that subjective assessments are, in many instances, supported by objective measures of changes in living conditions, many of which flow, directly and indirectly, from the pursuit of material progress.

Thus the relentless drive for greater economic efficiencies, which are needed to maintain high growth rates, has been accompanied by increasing inequality, sustained high unemployment, the growth in under-employment and overwork, pressures on public services such as health and education, and the geographic concentration of disadvantage, leading to deeper and more entrenched divisions within society (Argy, 2003). Increased work pressures and decreased job security not only harm workers, but also threaten the wellbeing of partners and children (Strazdins et al, 2004). This means that the costs to wellbeing can be transmitted from generation to generation. These impacts are discussed in detail in other chapters.

Another 'side-effect' of current patterns of growth is not adequately reflected in subjective measures of happiness and quality of life, but is, nonetheless, important to wellbeing. This is the destruction of the natural environment, of which we are an intrinsic part. However much we seem to be able to address some impacts through increased wealth and technological innovation, the evidence shows we are disrupting planetary systems on a scale that grows ever greater and more pervasive (Steffen et al, 2004). Global warming, for example, is no longer a hypothesis about the future, but a reality of today's world.

The diminishing returns and rising costs of growth have led to the proposal of a threshold hypothesis, which states that for every society there seems to be a period in which economic growth (as conventionally measured) brings about an improvement in quality of life, but only up to a point – the threshold point – beyond which, if there is more economic growth, quality of life may begin to deteriorate (Eckersley, 2004: 32-5). The threshold hypothesis has been supported in recent years by the development of indices, such as the Genuine Progress Indicator, that adjust GDP for a range of social, economic and environmental factors that GDP either ignores or measures inappropriately. These include income distribution, unpaid housework and voluntary work, loss of natural resources, and the costs of unemployment, crime and pollution. These 'GDP analogues' show that trends in GDP and social wellbeing, once moving together, have diverged since about the mid-1970s in all countries for which they have been constructed, including Australia.

The evidence shows that a major flaw in the rationale for 'going for growth' is that it ignores or underestimates the social and environmental costs of growth processes. If, in creating wealth, we do more damage to the fabric of society and the state of the natural environment than we can repair with the extra wealth, it means we are going backwards in terms of quality of life, even while we grow richer. Furthermore, it is

doubtful that we can compensate for the costs of growth in this way. The costs are not just material and structural – social inequality or environmental degradation, for example – but also cultural and ethical. Material progress depends on the pursuit of individual and material self-interest that, morally, cannot be quarantined from other areas of our personal and social lives.

Materialism and individualism

As we have seen, greed and selfishness figure prominently in people's worries about quality of life. These are closely related to two of the defining characteristics of modern Western culture: materialism and individualism. The research, predominantly in psychology and sociology, tends to validate the concerns.

Materialism - the pursuit of money and possessions – seems to breed not happiness but dissatisfaction, depression, anxiety, anger, isolation and alienation (Kasser, 2002; Eckersley, 2004: 85-96). People for whom 'extrinsic goals' such as fame, fortune and glamour are a priority in life tend to experience more anxiety and depression and lower overall wellbeing - and to be less trusting and caring in their relationships - than people oriented towards 'intrinsic goals' of close relationships, personal growth and self-understanding, and contributing to the community. In short, the more materialistic we are, the poorer our quality of life.

Individualism – placing the individual at the centre of a framework of values, norms and beliefs - is supposed to be about freeing us to live the lives we want. Undoubtedly, loosening social ties can be liberating for individuals, and create more dynamic, diverse and tolerant societies. The full reality of freedom, however, may be very different from this ideal (Eckersley, 2004: 85-96). Individualism's downsides are described in different ways: a heightened sense of risk, uncertainty and insecurity; a lack of clear frames of reference; a rise in personal expectations, coupled with a perception that the onus of success lies with the individual, despite the continuing importance of social disadvantage and privilege; and a surfeit or excess of freedom and choice, which is experienced as a threat or tyranny.

One of the effects of these developments is that individualism not only reduces social connectedness and support, but also diminishes personal control, including through confusing autonomy (the ability to act according to our own values and beliefs) with independence (not being reliant on or influenced by others). Emphasising independence can lead to less real autonomy because it encourages a perception that we are separate from others and the environment in which we live, and so from the very things that influence our lives.

The more narrowly and separately the self is defined, the greater the likelihood that the social forces acting on us are experienced as external and alien, and so beyond our control. This creation of a 'separate self' could be a major dynamic in modern life, impacting on everything from citizenship and social trust, cohesion and engagement, to the intimacy of friendships and the quality of family life.

An important means by which individualism and materialism affect wellbeing is through their influence on values (Eckersley 2004: 49-56). Values provide the framework for deciding what we hold to be important, true, right and good, and so have a central role in defining relationships and meanings. Consistent with what we know about wellbeing,

most societies have tended to reinforce values that emphasise social obligations and self-restraint and discourage those that promote self-indulgence and anti-social behaviour. Individualism and materialism reverse universal virtues and vices.

Consumerism and its discontents

Materialism and individualism are closely associated – as both cause and effect – with the ever-increasing personal consumption that current patterns of economic growth demand. As this ‘consumerism’ reaches increasingly beyond the acquisition of things to the enhancement of the person, the goal of marketing becomes not only to make us dissatisfied with what we have, but also with who we are. As it seeks evermore ways to colonise our consciousness, consumerism both fosters - and exploits - the restless, insatiable expectation that there has got to be more to life. And in creating this hunger, consumerism offers its own remedy: more consumption.

This ceaseless consumption is not, then, simply a matter of freedom of choice; it is culturally ‘manufactured’ by a massive and growing media-marketing complex. For example, big business in the United States spends over a US\$1000 billion a year on marketing – about twice what Americans spend annually on education, private and public, from kindergarten through graduate school (Dawson, 2003). This spending includes ‘macromarketing’, the management of the social environment, particularly public policy, to suit the interests of business.

Together, government policy and corporate practice are distorting personal and social preferences. Psychologists who have studied cults and mind control warn that even the brightest and best of us can be recruited or seduced by social situations and conditions to behave in ways contrary to our values and dispositions, to engage in actions that are immoral, illegal, irrational and self-destructive (Zimbardo, 1997, 2002). American psychologist Philip Zimbardo (2002) says that many agents of mind control ‘ply their trade daily on all of us behind many faces and fronts’; we need to learn how to resist them and to weaken their dominance.

Our situation amounts to ‘cultural fraud’: the promotion of cultural images and ideals of ‘the good life’ that serve the economy but do not meet human psychological needs, nor reflect the realities of social conditions. To the extent that these images and ideals hold sway over us, they encourage goals and aspirations that are in themselves unhealthy. To the extent that we resist them because they are contrary to our own ethical and social ideals, they are a powerful source of dissonance that is also harmful to health and wellbeing.

Studies and scholarship across a range of fields suggest we are seeing a reaction to this situation (Eckersley, 2004: 244-50). The counter-trend is most apparent in the so-called downshifters and cultural creatives: people who are making a comprehensive shift in their worldview, values and way of life, including trading off income for quality of life. This group now comprises over a quarter of the population in Western nations. Disenchanted with contemporary lifestyles and priorities, they are placing more emphasis in their lives on relationships, communities, spirituality, nature and the environment, and ecological sustainability.

Studies by American researchers Paul Ray and Sherry Ruth Anderson (2000) reveal that a quarter of Americans are ‘cultural creatives’. Surveys in European Union

countries suggest there are at least as many cultural creatives there. ‘They are disenchanted with “owning more stuff”, materialism, greed, me-firstism, status display, glaring social inequalities of race and class, society’s failure to care adequately for elders, women and children, and the hedonism and cynicism that pass for realism in modern society.’

Cultural creatives represent a coalescence of social movements that are not just concerned with influencing government, but with reframing issues in a way that changes how people understand the world. Ray and Anderson say that in the 1960s, less than five per cent of the population was making these momentous changes. In just over a generation, that proportion has grown to 26 per cent. ‘That may not sound like much in this age of nanoseconds, but on the timescale of whole civilisations, where major developments are measured in centuries, it is shockingly quick.’

While Australians haven’t yet been measured for their ‘cultural creativity’, a study by the Australia Institute suggests the proportion of cultural creatives here is likely to be similar to that in the United States and Europe, perhaps even higher (Hamilton and Mail, 2003). It found that 23 per cent of Australians aged 30-59 had ‘downshifted’ in the past ten years: that is, voluntarily made a long-term change in their lifestyle that had resulted in their earning less money. This proportion excludes those who retired, returned to study, set up their own business or left work to have a child. If some of the excluded are included as legitimate downshifters, along with those who have opted for a ‘cultural creative’ lifestyle from the beginning, the proportion of Australians who are challenging the dominant culture of our times is likely to be substantially higher.

The trend is consistent with the views of American sociologist Ronald Inglehart (2000) who, drawing on surveys of people in the United States and several European nations between 1970 and 2001, found a pronounced shift from ‘materialist’ to ‘postmaterialist’ values. Postmaterialists are still interested in a high material standard of living, but take it for granted and place increasing emphasis on the quality of life. The economic outlook of modern industrial society emphasised economic growth and economic achievement above all, Inglehart says. Postmaterialist values ‘give priority to environmental protection and cultural issues, even when these goals conflict with maximising economic growth’.

The trend also reflects a development that other sociologists have observed: a new moral autonomy, a more socially responsible and engaged form of individualism. Action is still a form of personal choice and self-expression, but instead of being based on a narrowly defined self-reliance and self-focus, it is framed and shaped by a wider social context. These new orientations create ‘something like a cooperative or altruistic individualism,’ says German sociologist Ulrich Beck (Beck and Beck-Gernsheim, 2002: 162). ‘Thinking of oneself and living for others at the same time, once considered a contradiction in terms, is revealed as an internal, substantive connection.’

Beyond growth – towards sustainability

Postmaterialism is closely associated with the concept of sustainable development, which is increasingly challenging material progress as a framework for making policy decisions. Sustainable development does not accord economic growth ‘overriding’ priority. Instead, it seeks a better balance and integration of social, environmental and economic goals and

objectives to produce a high, equitable and enduring quality of life. A common theme is the perceived need to shift from *quantity* to *quality* in our way of life and our measurements.

We can also characterise the shift from material progress to sustainable development as replacing the outdated industrial metaphor of progress as a pipeline – pump more wealth in one end and more welfare flows out the other - with an ecological metaphor of progress as an evolving ecosystem such as a rainforest – reflecting the reality that the processes that drive social systems are complex, dynamic, diffuse and non-linear.

Sustainable development has been defined in many ways (Eckersley, 2004: 234-7). The World Commission on Environment and Development described it as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’. The World Conservation Union, the United Nations Environment Program and the WWF (formerly the World Wide Fund for Nature) have defined it as ‘improving the quality of human life while living within the carrying capacity of supporting ecosystems’.

The key challenge of sustainable development has usually been seen as reconciling the requirements of the economy – growth – with the requirements of the environment – sustainability. However, our growing understanding of the social basis of health and happiness – and so quality of life - can shift this perspective, making an important contribution to working towards sustainability. It provides a means of integrating different priorities by allowing them to be measured against a common goal or benchmark: improving human wellbeing. While wellbeing is not the only consideration here, it is critical to achieving a real political commitment to sustainable development.

Public policy implications

In shifting from material progress to sustainable development, we need to think less in terms of a ‘wealth-producing economy’ and more about a ‘health-creating society’, where health is defined as total wellbeing. We need to pay attention to the content of growth - and the values and priorities it reflects and serves – not just its rate. At present, government policies give priority to the rate, but leave the content largely to the market and consumer choice.

Most economic growth is derived from increased personal consumption, despite the evidence of its personal, social and environmental costs. We need, individually and collectively, to be more discerning about what economic activities we encourage or discourage. While such suggestions are often dismissed as ‘social engineering’, this criticism ignores the extent to which our lifestyle is already being ‘engineered’ through marketing, advertising and the mass media, as already discussed.

It is true that recessions and depressions causes hardship, especially through increased unemployment. However, the association between growth and jobs (or other benefits) does not negate the need to examine more broadly and carefully the social effects of growth. Also, we need to bear in mind that the strength of this association is a characteristic of our current economy; we cannot judge possible alternatives by the rules – the internal logic – of the existing system.

Also, to be *against* current patterns of growth is not the same as being *for* failed socialist, centralised, command economies. This common confusion leads to the claim that whatever its faults, capitalism is the best system we have and we should stick to it until someone invents a better one. This claim confuses means and ends, function and meaning, systems and worldviews - how we do something rather than why we do it. Rather than casting the core question in terms of being pro-growth or anti-growth, we need to see that growth itself is not the main game.

Changing our defining idea about how to improve quality of life would have far-reaching implications for public policy. The specifics are beyond the scope of this chapter and my expertise. But in essence the change would involve reducing the proportion of GDP derived from *consumption* undertaken for short-term, personal gratification, and to increase that involving *investment* directed towards broader and longer-term social goals. We could choose to redirect economic activity into creating a fairer, cleaner, healthier, safer world. We don't have to keep consuming more in order to generate the wealth to try to fix the problems that consumption gives rise to.

In the face of terrorism, we have not hesitated to direct wealth (and so economic activity) into strengthening defence and national security. The Boxing Day tsunami also saw a large reallocation of resources to help its victims. Confronted with the magnitude and global scale of twenty-first century challenges – population pressures, environmental destruction, economic equity, global governance, technological change - it simply makes no sense to continue to regard these issues as something we can deal with by fiddling at the margins of the economy, the main purpose of which remains to serve, and promote, our increasingly extravagant consumer lifestyle.

American economist Robert Frank (2004) describes this shift in spending as one from *conspicuous* to *inconspicuous* consumption. Conspicuous consumption is like an arms race, an escalation of spending on things like larger houses, better cars and more expensive clothes in order to improve our social status, he says. Inconspicuous goods include shorter commuting, better work conditions, more time with friends and family and more vacations. The list could also be extended to include wider measures of social and environmental quality. Frank says that the evidence suggests wellbeing would be higher in a society with a greater balance of inconspicuous consumption, but that the actual trends have been in the opposite direction.

A wellbeing manifesto, published in 2005 by the Australia Institute, a non-profit public policy research institute, notes that while governments can't legislate to make us happy, many things they do affect our wellbeing (Hamilton et al, 2005). Industrial relations laws can damage or improve the quality of our working lives; government policies can protect the environment or see it defiled; our children's education depends on the quality of schools; tax policies can make the difference between a fair and an unfair society; and the cohesiveness of our communities is affected by city design and transport plans.

The manifesto proposes nine areas in which a government could and should enact policies to improve national wellbeing: improving working conditions; reducing working hours; protecting the environment (including through increased taxations on damaging activities); rethinking education to place more emphasis on wellbeing; investing in early childhood; discouraging materialism (including through greater regulation of advertising); building communities by supporting families, carers and community

organisations; reducing inequality and building public infrastructure and services; and improving measures of wellbeing.

In reviewing the literature on wellbeing, two leading American researchers, Ed Diener and Martin Seligman (2004), say there are ‘distressingly large, measurable slippages’ between economic indicators and wellbeing, and urge the establishment of a system of national measures of wellbeing to supplement the economic measures. ‘Economic measures have seriously failed to provide a full account of quality of life.’

Conclusion

This chapter has examined public policy’s emphasis on economic growth, and the rationale for this focus, in the light of a wide range of social scientific evidence on quality of life: the nature of subjective wellbeing and the importance of money to wellbeing; some of the key patterns and trends in young people’s health; public concerns about quality of life, including the impact of growth; trends in other indicators, including alternatives to GDP; and the effects on wellbeing of cultural qualities that are closely associated with economic growth, notably materialism and individualism.

It might be argued that wealth creation is a legitimate ‘overriding aim’ of government, but not of a nation, whose priorities will also reflect the goals and interests of other institutions and, of course, individuals. However, the evidence of diminishing returns with rising income demonstrates that, even from a public policy perspective, the focus on high growth as the foundation for raising wellbeing is mistaken. To improve quality of life, we would be better off placing more emphasis on redistributing income, eliminating poverty, and improving community conditions and services.

Quite apart from wealth’s limited role in enhancing wellbeing, we have also to take into account the difficulty, if not impossibility, of isolating the requirements for growth (as we pursue it) from a cascade of other, adverse social effects. In essence, money and what it buys constitute only a part of what makes for a high quality of life. And the pursuit of wealth can exact a high cost when it is given too high a priority – nationally or personally – and so crowds out other, more important goals. The need to belong is more important than the need to be rich; meaning matters more than money.

The current worldview framed by material progress and based on self-interested, competitive individualism has created a ‘shallow’ democracy (where citizenship involves voting every few years for whichever party promises us the best personal deal) and resulted in reduced social cohesion, weaker families and communities, and so diminished quality of life. Challenging this construction is a new worldview framed by sustainable development and based on altruistic, cooperative individualism. This encourages a ‘deep’ democracy (where citizenship is embodied in all aspects of our lives), leading to greater social cohesion, stronger communities and families, and so better quality of life. The former represents a vicious cycle, the latter a virtuous one.

Achieving the transition from material progress to sustainable development as the ‘defining idea’ of human development requires many specific policy changes, but it also goes beyond this task to redesigning the framework of principles and beliefs within which public policy is decided. The social sciences are playing a pivotal role in this process through their contributions to a better understanding of quality of life and

changes in public attitudes and priorities, and the translation of this understanding into better public policy.

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