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## **Subjective well-being and the mismeasure of progress**

Richard Eckersley

### **Introduction**

The past two decades have seen a remarkable surge in interest in measuring the progress of societies. The debate has focused on adequacy of economic indicators, notably per capita income or GDP (gross domestic product). Measures of subjective well-being (SWB) are attracting particular attention, with several national statistical agencies, including the Australian Bureau of Statistics, examining their value for inclusion in sets of indicators of national progress.

The statistical models of progress have a high degree of internal consistency: all or most of the dominant indicators are correlated. Some economists say GDP is associated with so many other measures of progress, including SWB, that we might as well continue to use GDP. Some SWB researchers, on the other hand, say SWB is associated with so many other, objective measures of progress, we should use SWB. Most researchers, however, opt for a mix of subjective and objective indicators.

So what is the problem? My argument is that conventional indicators of progress, including GDP and SWB, are measuring Westernization or modernization, rather than optimal social progress or development. While the concepts may overlap, they are not the same thing. At best, the qualities being measured may be desirable, even necessary, but are not sufficient. At worst, the benefits of modernization are being counted, but not its costs, including those associated with excessive materialism and individualism (to say nothing of its environmental impacts, with which I am not concerned here).

In other words, indicators focus on those qualities that modernization emphasizes and celebrates, such as material wealth, education, democratic governance, the rule of law, human rights and individual freedom. Valuable though these qualities are, they do not represent the sum total of what makes a better life.

The goal of progress should be to improve people's quality of life, not just to raise their standard of living. Quality of life is the degree to which people enjoy - or societies provide - the conditions of life (social, economic, cultural, environmental) that are conducive to total well-being (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. Subjective well-being has been defined in many ways, but is usually measured on a scale of self-reported happiness or life satisfaction.

I set out in more detail the case against orthodox models and measures of progress in several recent papers (Eckersley 2006a, 2009, 2012, in press). The orthodox view places Western liberal

democracies at its leading edge; other evidence suggests they may be, in some respects at least, societies in decline. Reconciling these views is no simple matter.

In this paper I want to take two aspects of SWB that are raised by a new paper by Ed Diener and his colleagues, which is one of the most persuasive and compelling in favour of SWB measures (Diener, Inglehart, Tay, 2012). The first is the gap - or contradiction - between personal life satisfaction and social discontent; the second concerns the role of personal freedom in SWB.

All these matters would have been of keen interest to Ian Castles. They reflect both the continuities in the debate about progress and its developments and advances since his time. In his response to the papers presented at the 1997 conference, 'Measuring national progress: Is life in Australia getting better, or worse?', Ian said that he had listened to the presentations with a sense of déjà vu (Castles 1998). I suspect he would say the same about these symposium papers. Ian concluded by saying that while GDP was sometimes misused, the view that decision-makers were misled is rarely supported by evidence. 'In my view, GDP is a valuable and necessary, but not sufficient, measure of material progress.'

Ian even drew on SWB measures to support his case at an ASSA workshop later that same year (Castles 1997). In his presentation, a critique of the Human Development Index and the Genuine Progress Indicator, he stated that the objective indicator of well-being which correlated best with the subjective measure of well-being was GDP per head:

'It would be unwise to draw strong inferences from these findings, but it is interesting that an indicator which was never intended to be a measure even of **economic** welfare should appear to be better correlated with the subjective well-being measure than several indicators which embrace non-economic aspects of well-being, and also of a composite indicator which was designed to embrace economic and non-economic aspects.'

Ian and I were often on opposite sides of the debate about progress, although I had great respect for his statistical knowledge and rigour; our differences were more philosophical. I do think, for example, that governments have been misled - or mistaken - in persisting with a model of material progress, focused on growth in GDP, in the face of growing evidence of its declining benefits and rising costs, including to well-being (Eckersley 2005, 2006a,b).

### **Personal satisfaction and social disquiet**

The new paper by Diener and colleagues carefully reviews the reliability, validity and sensitivity of life satisfaction measures. They argue that several types of data indicate that the measures validly reflect the quality of people's lives. These lines of evidence include: differences between nations in life satisfaction, which are associated with differences in objective conditions; differences between groups who live in different circumstances; patterns of change in life satisfaction before, during, and after significant life events; and prediction by life satisfaction scores of future behaviours such as suicide.

Despite this, they remain cautious about using SWB indicators to inform national policy decisions. The measures are useful in research on individual well-being, but there are questions about applying them to policy that need more analysis and research, they say.

'Life satisfaction can provide an added window on what is going well or badly in a society, as experienced by the citizens themselves. There are specific instances where life satisfaction measures can help illuminate current policy debates, but being able to tie the scores to

factors that bear on policy is essential. Given their low cost and ease of administration it is desirable that societies adopt measures of life satisfaction to supplement current economic and social indicators. At the same time it must be recognized that life satisfaction measures have clear limits, and provide only one type of information to policy makers. Thus, additional types of objective and subjective indicators are needed.'

The authors report research findings that help to explain something that I have pointed out repeatedly in my writing: asking people about life in general or the lives of others gives a very different result from asking them about their own lives (Eckersley 2000a,b, 2005, 2009, 2012, in press).

In the study in question, political questions sometimes came before, and sometimes after, the life evaluation question. People's life evaluation scores were lower when they followed the political questions (a draft stated that the scores were 'substantially lower' and that this item-order effect was 'relatively large'). Inserting a buffer or transition question - 'Now thinking about your personal life, are you satisfied with your personal life today?' - between the political questions and life evaluation largely eliminated this item-order effect. The authors suggest the effect might have been due to the way questions were interpreted rather than to the priming of certain information. 'The political questions at the beginning of the interview may have induced respondents to think the survey was about people's lives embedded in the context of societal and political affairs.'

The findings are significant because they reveal the extent to which the standard use of SWB measures discounts the social environment. Surely when we use SWB as a social indicator, a measure of progress, we want to put people's individual lives into a wider context. In contrast, for example, a question I have used in several surveys explicitly includes this social context (as well as broadening the focus beyond the individual): 'Thinking now about the overall quality of life in Australia, taking into account social, economic and environmental conditions and trends, would you say that life in Australia is getting better, worse or staying about the same?' (Eckersley 2000a,b, 2005). This question is arguably better suited to assessing subjectively national progress. It also produces markedly different results: most people say they are happy and satisfied with their lives; however, when it comes to trends in quality of life, pessimists outnumber optimists. Yet this approach is neglected compared to the growing interest in SWB measures.

The difference in perspectives is highlighted in the headline of a story in *The Atlantic* in 2012: 'Americans are losing confidence in the nation but still believe in themselves' (Penn 2012). The article states:

'In a wave of pessimism that has been pervasive throughout the last decade (perhaps the longest running in American history), Americans believe their country is heading in the wrong direction, that our values are weathering, that their generation is worse off than their parents' generation, and that their children will be still worse off. Americans believe that political corruption, too much focus on material things, and the influence of money in politics are weakening our values and standing in the world. They believe elected officials reflect and represent mainly the values of the wealthy and think the economic system is unfair to middle- and working-class Americans. And they believe that Wall Street is more like a cancer than an engine for economic growth.'

In 2011, *Time* magazine reported a poll showing that the United States is going through 'one of its longest sustained periods of unhappiness and pessimism ever', adding that it is 'hard to overstate what a fundamental change this represents' (Penn 2011). Two-thirds of Americans believed the past decade was one of decline, not progress, for the US (68%) and that the greatest threat to the long-

term stability of the US came from within, not from outside, the country (66%). A half said the past decade was one of the worst in the past 100 years (47%) and that American children today would be worse off than people were now when they grew up (52%).

Australia ranks at or near the top of many international comparisons of quality of life and development. Unlike the United States and Europe, it escaped the global financial crisis relatively unscathed: There was no recession, unemployment didn't rise, and national debt is manageable. A refrain in public debate is that Australians have nothing to whine about. Yet, the public mood in Australia is sour; dissatisfaction with government is high. In a 2009 survey, only 24% of people said quality of life in Australia was getting better (ANU Poll 2009). In another 2009 survey, Australians generally saw themselves today as being richer, but unhappier (or no happier), than they were in the previous few decades (Auspoll 2009). While 77% said Australians' material standard of living was higher than 20 years ago, 58% felt emotional well-being was lower.

The findings stand in stark contrast to people's high levels of self-reported personal happiness and life satisfaction. Why do we persist in telling only half the story?

### **The mixed blessings of freedom**

The second issue raised in the Diener paper has to do with equating progress with modernization.

The authors say that the theory of evolutionary modernization states that people's values and life strategies change as they move from subsistence-level scarcity to high levels of economic and physical security. At low levels of development, sheer survival tends to be the dominant goal and happiness is closely linked with whether one has enough of life's basic necessities. As people attain higher levels of economic and physical security they attach greater importance to having free choice in how to live their lives. They present data on international comparisons showing this: as we move from low-income nations to high, financial satisfaction becomes less important to overall life satisfaction, and free choice becomes more important.

A lot of research shows that personal freedom is a major determinant of progress and human development in cross-country comparisons. In another study, Inglehart and his colleagues linked happiness to the extent to which a society allows free choice; free choice was, in turn, associated with economic development, democratization, and social liberalization (Inglehart, Foa, Peterson, Welzel 2008). Yet studies of the role of freedom in health, both empirical and theoretical, tell a different story (Eckersley 2002, 2006b, 2009).

Freedom can be disturbing as well as exciting: while it creates new opportunities for personal experience and growth, it also carries risks of social dislocation and isolation, and a cultural attenuation that makes identity and belonging problematic. This is particularly clear in the sociological work on the centrality of individualization to late-modern or postmodern life, which is marked by perceived insecurity, uncertainty and risk, and a lack of clear frames of reference.

A new study in Finland - which, with other Scandinavian countries, does well in international comparisons of progress and development - casts fascinating light on this question (Lindfors, Solantas, Rimpela 2012). It assessed changes in fears for the future of Finnish youth, based on adolescent health and lifestyle surveys carried out in 1983, 1997, and 2007. A total of 17,750 students aged 12-18 were asked an open question: "When you think about your life and the future in general, what three things do you fear the most?"

Surprisingly, fear of war and terrorism fell over the period, as did fear of environmental disasters. Fear about work and education did not change much, again surprising given the changes in these areas. However, other, more personal fears rose: failure and making wrong choices (from 7% to 16%), future family and partnership (7% to 14%), loneliness (5% to 20%), accidents (6% to 12%), health (16% to 41%), and death (17% to 39%).

The authors conclude that perceptions of risks have become more individualized, thus supporting late-modernist theory. The results highlight the fact that adolescents' images of the future act as a mirror of the times, reflecting the values and ethos of society and its social and cultural norms and their changes over time. 'Cultural and societal changes, including emphasis on individual choice and increased uncertainty, seem to create perceptions of uneasiness and insecurity in young people's transitions to adulthood,' the authors write.

The existential dimension of the analysis can be taken further. In psychology, terror management theory argues that fear of our mortality is a powerful motivation for humans, and we construct personal and cultural means to manage it, to allow us accept the inevitability of death—worldviews, values, beliefs, rituals. So the Finnish findings, showing increased fear of death, might be further evidence of how Western culture is failing us.

The Diener paper - and the broader SWB literature - does not address this paradox of freedom, although I have noted it in earlier papers. One possibility, which links both the issues I have discussed, is that there is a bias in SWB measurement in favour of individualistic societies, in which people place less emphasis on the social context and more on personal aspects of life.

## **Conclusion**

For all their advantages, I believe SWB measures are still missing critical dimensions of human well-being: the more intangible, cultural and moral aspects of life that reflect and reveal the depths of the human psyche and the complexities of human affairs. These are the factors that have a major influence on belonging, identity and meaning in life, and so provide the foundation for a sense of intrinsic worth and existential certainty and confidence that are crucial elements of well-being.

Replacing or supplementing money with happiness or life satisfaction as a measure won't solve the problem. Although research has revealed the importance of things other than money to well-being, there remains a substantial gap in the new progress measures, even those incorporating SWB. Orthodox approaches underestimate the degree to which 'progress' as we measure it is contributing to an existential deficit that is affecting the health and well-being of all of us, rich and poor alike. This 'psychosocial dynamics' perspective is largely absent from the political, and even scientific, debate about progress.

However, I admit to being puzzled by these issues. I am impressed by the consistency of SWB findings, the many aspects of life they do seem to reflect. At the same time, SWB researchers seem reluctant to respond to my criticisms, and to venture outside the narrow world of SWB and its correlates to take other, more diverse data into account. This stance can produce what I have called a 'false consensus' that can take hold within scientific disciplines and research fields: an agreement about what is right and important that the wider evidence does not justify.

My work involves transdisciplinary synthesis (Eckersley 2005, 2010). It ranges well outside social indicators to include, for example, an analysis of the patterns and trends in young people's physical and mental health (Eckersley 2011). I seek coherence in the overall conceptual picture rather than

precision in the empirical detail. The approaches are complementary: they can draw on, inform and balance each other. Yet the value of synthesis is widely overlooked.

My perspective puts me at odds with most empirical approaches, including that of statisticians. I've taken this up with both the Australian Bureau of Statistics and the Australian Institute of Health and Welfare, arguing, for example, that while life expectancy (the most widely used health indicator) may be rigorous, it does not capture the growing importance to health of non-fatal, chronic, physical and mental illness. In avoiding 'sins of commission' (drawing on less rigorous data), statisticians and researchers risk committing 'sins of omission' (not using all the available data). The result can be a failure to get as full and true a picture of life today as they otherwise might.

I suspect my approach would also put me at odds with Ian Castles, who was a formidable advocate for statistical precision and rigour. However, we should not be surprised that what makes a good life - in all its richness, diversity, complexity and subjectivity - defies ready, or precise, quantitative evaluation, including through the use of GDP or SWB. We may be making progress in measuring progress, but we have further to go than many researchers and statisticians appreciate.

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Note: All Eckersley publications are available at: [www.richardeckersley.com.au](http://www.richardeckersley.com.au).