



What is the role of the government on
people's happiness?

The contribution of subjective well-being to public policies

Christopher Deeming
School of Geographical Sciences
University of Bristol, UK



History of SWB Policy

1994	United Nations publishes first Human Development Index
2000	First issue of the Journal of Happiness Studies is published
2002	UK Cabinet Office Report, Life Satisfaction: the State of Knowledge and Implication for Government
2007	European Commission initiates the 'Beyond GDP' project
2008	President Sarkozy est. Commission on the Measurement of Economic Performance & Social Progress
2009	OECD starts Better Life Initiative and Work programme on measuring wellbeing and progress
2010	The US government est. Commission on Key National Indicators, allocating \$70 million to the project
2010	UK ONS begins a programme to develop statistics to measure national wellbeing
2011	US National Research Council, the National Institute on Aging and the UK Economic and Social Research Council jointly support an expert panel on subjective wellbeing and public policy.
2011	UN General Assembly Resolution on Happiness 65/309
2012	UN High-Level meeting on happiness and wellbeing. Release of the UN World Happiness Report

Sarkozy Commission Recs (Stiglitz-Sen-Fitoussi)

- Move beyond GDP to measuring people's well-being
- Assess inequalities in well-being in a comprehensive way
- Give more prominence to distributions of income and wealth and well-being
- Use SWB and objective dimensions of well-being in the design and evaluation of public policies, both are important.

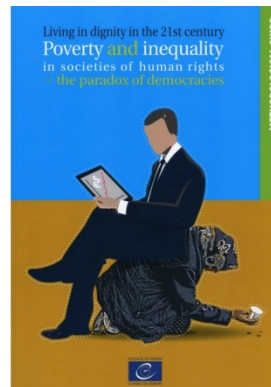
The contribution of public policies to subjective well-being

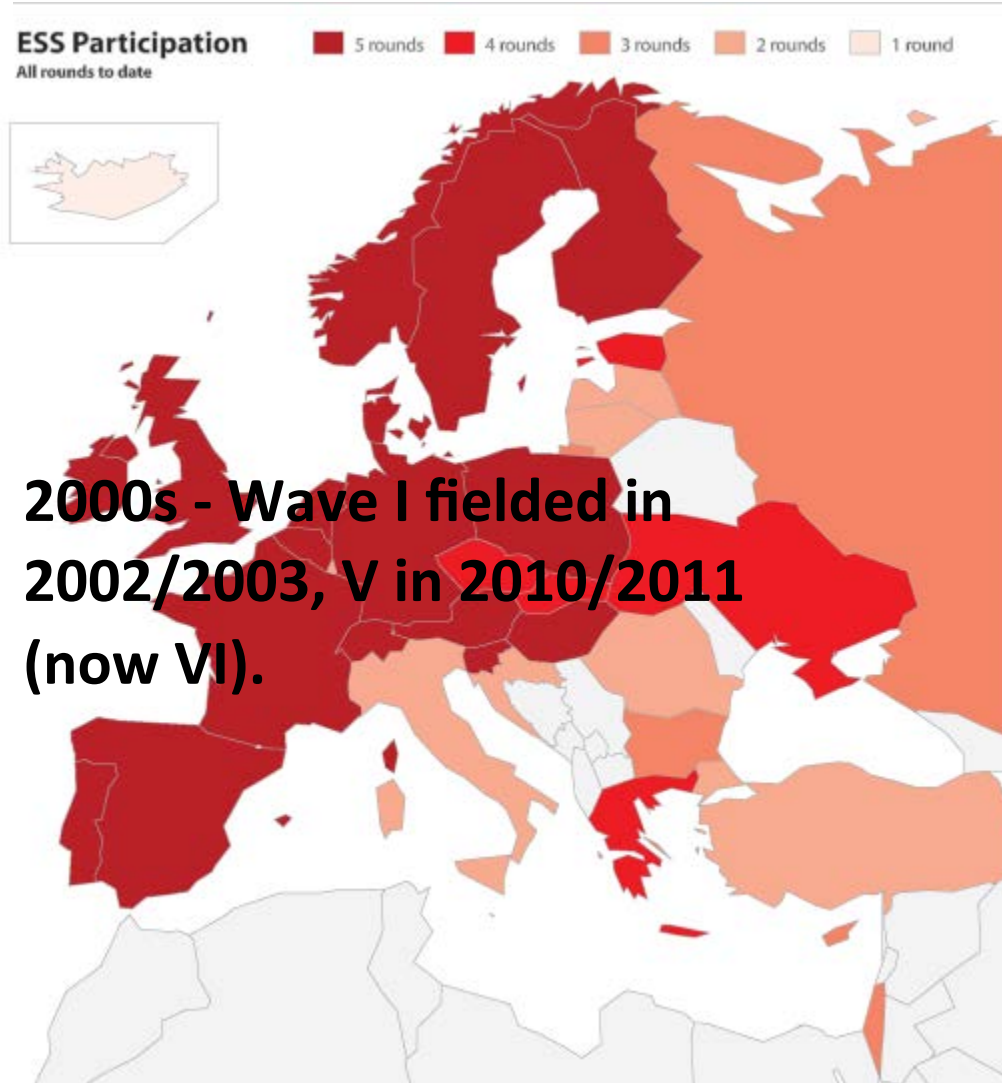
Understanding SWB in Europe

- Inequalities
- Determinants
- Impact of Social Policies.

SWB + European Policy

The 2020 strategy for Europe, launched by the European Commission in 2010, calls for a fairer and more equitable distribution of social well-being – ‘well-being for all’ is now the goal.





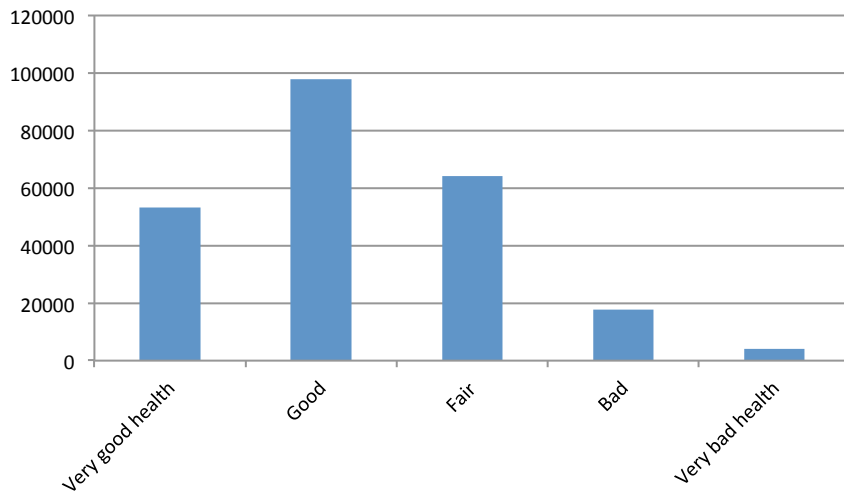
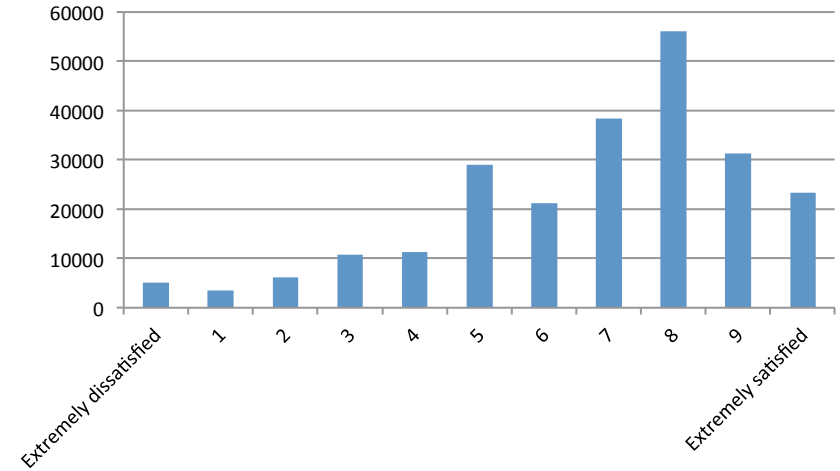
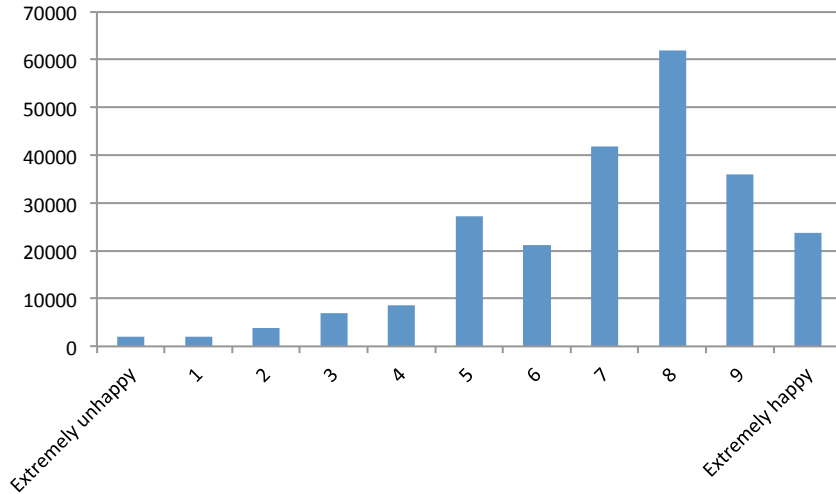
ESS sample

	2002/3	2004/5	2006/7	2008/9	2010/11	Totals
Austria	2257	2256	2405	-	-	6918
Belgium	1899	1778	1798	1760	1704	8939
Bulgaria	-	-	1400	2230	2434	6064
Switzerland	2040	2141	1804	1819	1506	9310
Cyprus	-	-	995	1215	1083	3293
Czech Republic	1360	3026	-	2018	2386	8790
Germany	2919	2870	2916	2751	3031	14487
Denmark	1506	1487	1505	1610	1576	7684
Estonia	-	1989	1517	1661	1793	6960
Spain	1729	1663	1876	2576	1885	9729
Finland	2000	2022	1896	2195	1878	9991
France	1503	1806	1986	2073	1728	9096
United Kingdom	2052	1897	2394	2352	2422	11117
Greece	2566	2406	-	2072	2715	9759
Croatia	-	-	-	1484	1649	3133
Hungary	1685	1498	1518	1544	1561	7806
Ireland	2046	2286	1800	1764	2576	10472
Israel	2499	-	-	2490	2294	7283
Italy	1207	1529	-	-	-	2736
Luxembourg	1552	1635	-	-	-	3187
Netherlands	2364	1881	1889	1778	1829	9741
Norway	2036	1760	1750	1549	1548	8643
Poland	2110	1716	1721	1619	1751	8917
Portugal	1511	2052	2222	2367	2150	10302
Russia	-	-	2437	2512	2595	7544
Sweden	1999	1948	1927	1830	1497	9201
Slovenia	1519	1442	1476	1286	1403	7126
Slovakia	-	1512	1766	1810	1856	6944
Turkey	-	1856	-	2416	-	4272

ESS survey questions SWB

- Taking all things together, how happy would you say you are?
- All things considered, how satisfied are you with your life as a whole nowadays?
- How is your health in general?

SWB overall picture



Notation

$$y_{1,ijk} \sim \text{Bernoulli}(1, \pi_{1,ijk})$$

$$y_{2,ijk} \sim \text{Bernoulli}(1, \pi_{2,ijk})$$

$$y_{3,ijk} \sim \text{Bernoulli}(1, \pi_{3,ijk})$$

$$\text{logit}(\pi_{1,ijk}) = \beta_{1,0} + \sum_{l=1}^L \beta_{1,l} x_{lijk} + \sum_{m=L+1}^M \beta_{1,m} x_{mjk} + \sum_{n=M+1}^N \beta_{1,n} x_{nk} + (v_{1,k} + u_{1,jk})$$

$$\text{logit}(\pi_{2,ijk}) = \beta_{2,0} + \sum_{l=1}^L \beta_{2,l} x_{lijk} + \sum_{m=L+1}^M \beta_{2,m} x_{mjk} + \sum_{n=M+1}^N \beta_{2,n} x_{nk} + (v_{2,k} + u_{2,jk})$$

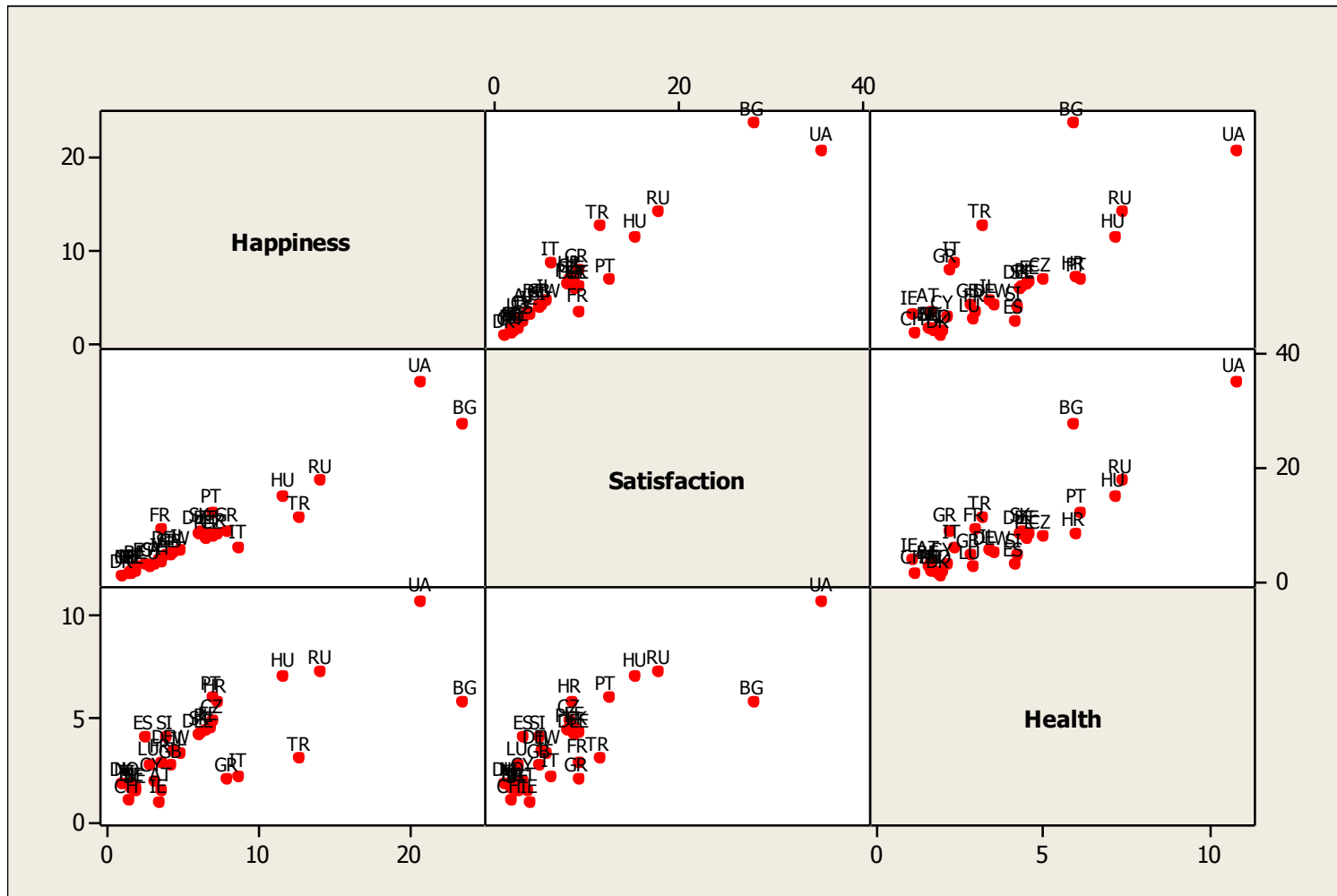
$$\text{logit}(\pi_{3,ijk}) = \beta_{3,0} + \sum_{l=1}^L \beta_{3,l} x_{lijk} + \sum_{m=L+1}^M \beta_{3,m} x_{mjk} + \sum_{n=M+1}^N \beta_{3,n} x_{nk} + (v_{3,k} + u_{3,jk})$$

$$\begin{bmatrix} v_{1,k} \\ v_{2,k} \\ v_{3,k} \end{bmatrix} \sim N(0, \Omega_v), \quad \Omega_v = \begin{bmatrix} \sigma_{v1}^2 & & \\ \sigma_{v1v2} & \sigma_{v2}^2 & \\ \sigma_{v1v3} & \sigma_{v2v3} & \sigma_{v3}^2 \end{bmatrix}$$

$$\begin{bmatrix} u_{1,jk} \\ u_{2,jk} \\ u_{3,jk} \end{bmatrix} \sim N(0, \Omega_u), \quad \Omega_u = \begin{bmatrix} \sigma_{u1}^2 & & \\ \sigma_{u1u2} & \sigma_{u2}^2 & \\ \sigma_{u1u3} & \sigma_{u2u3} & \sigma_{u3}^2 \end{bmatrix}$$

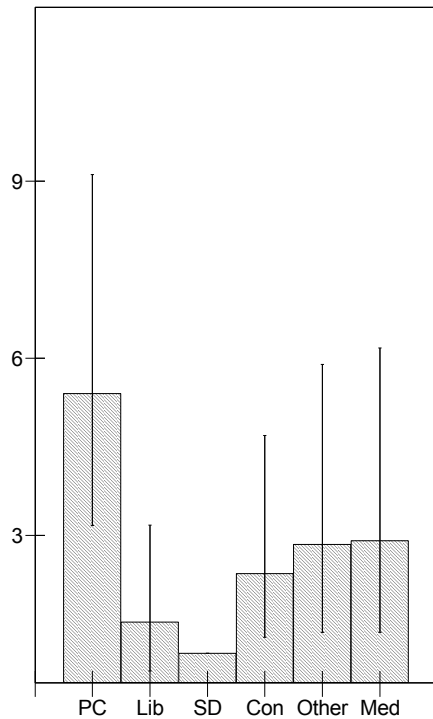
$$\text{CovVar} \begin{bmatrix} y_{1,ijk} | \pi_{1,ijk} \\ y_{2,ijk} | \pi_{2,ijk} \\ y_{3,ijk} | \pi_{3,ijk} \end{bmatrix} = \begin{bmatrix} \pi_{1,ijk}(1 - \pi_{1,ijk}) & & & \\ \rho_{12} & \pi_{2,ijk}(1 - \pi_{2,ijk}) & & \\ \rho_{13} & & \pi_{3,ijk}(1 - \pi_{3,ijk}) & \\ & & & \pi_{3,ijk}(1 - \pi_{3,ijk}) \end{bmatrix}$$

Country differences: RO

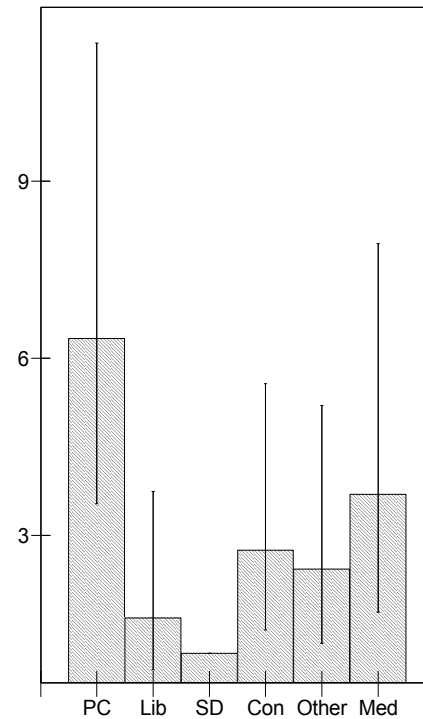


Politics & well-being: RO and 95% CI's

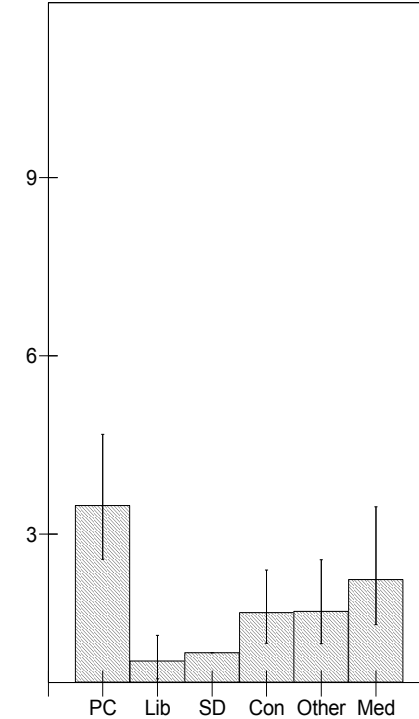
Un-Happy



Dis-Satisfied

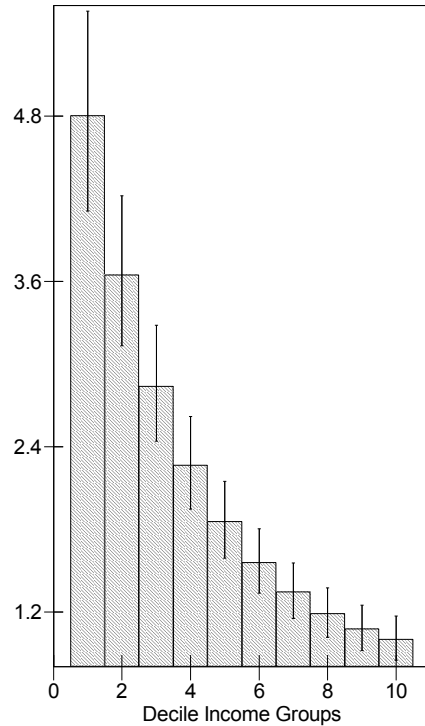


Un-Healthy

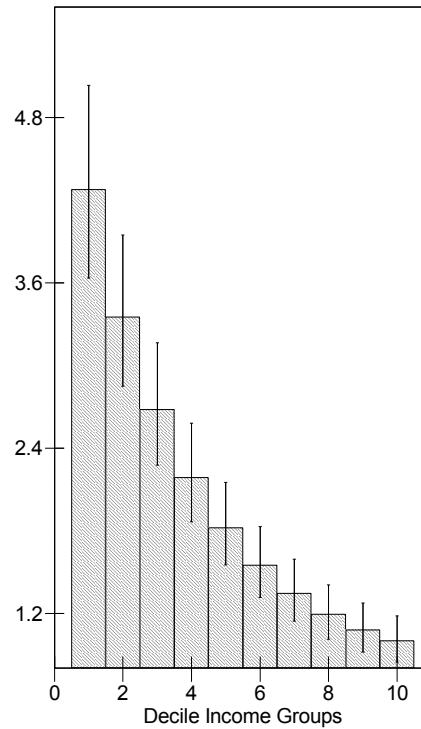


Household income & well-being: RO

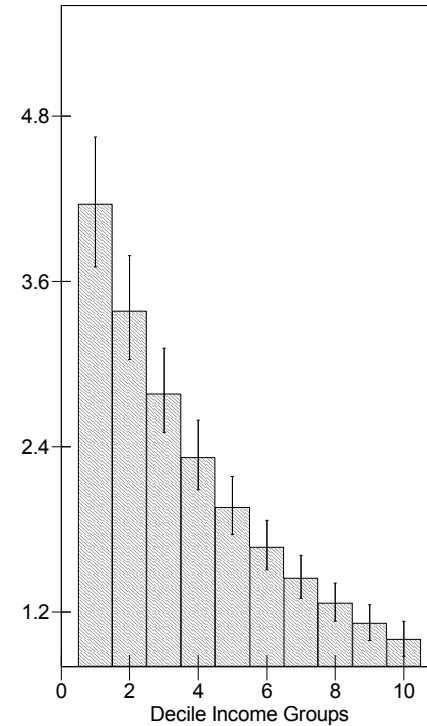
Un-Happy



Dis-Satisfied

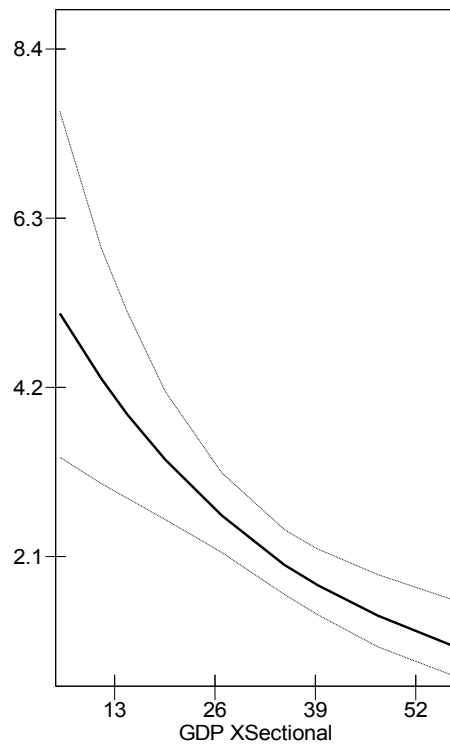


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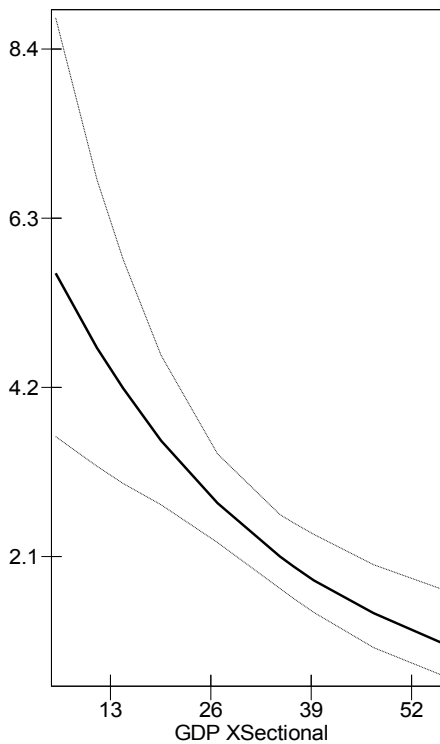


Development & well-being: RO

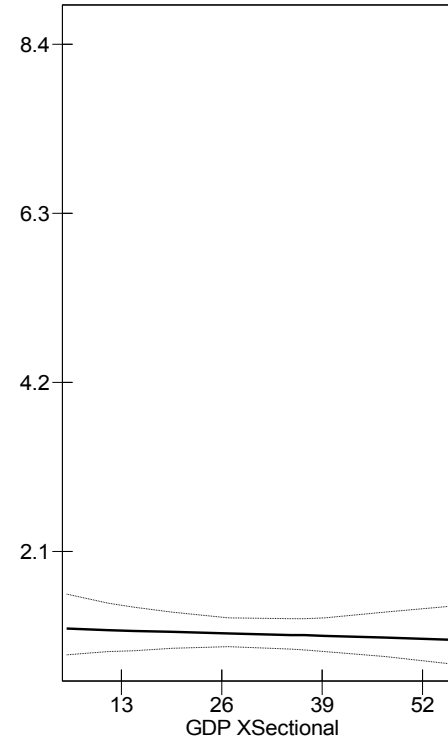
Un-Happy



Dis-Satisfied

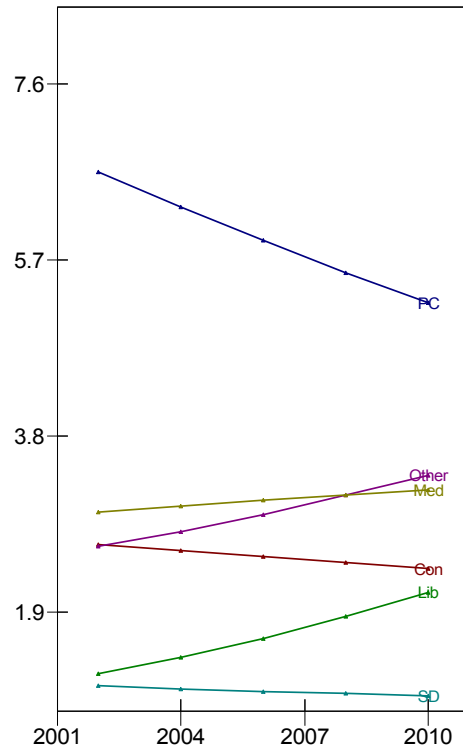


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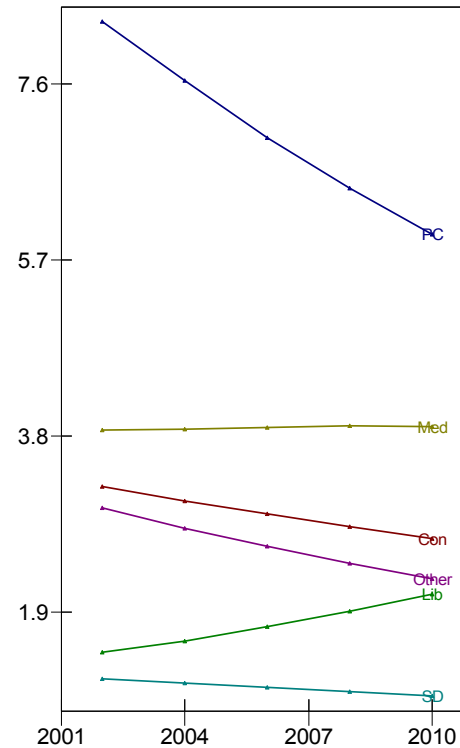


Inequalities over time

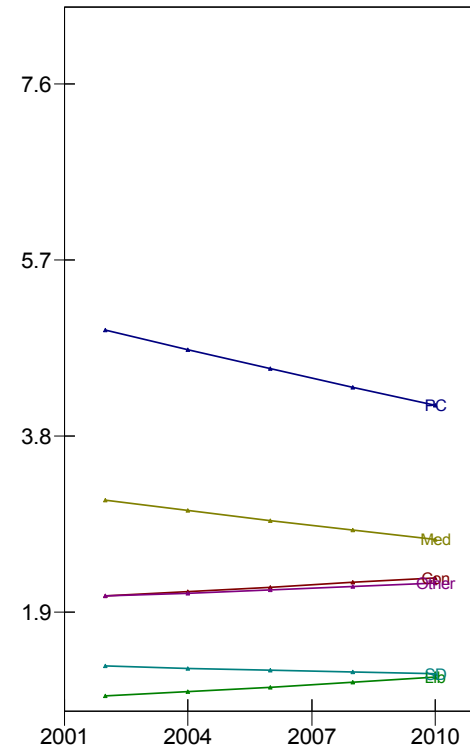
Un-Happy



Dis-Satisfied



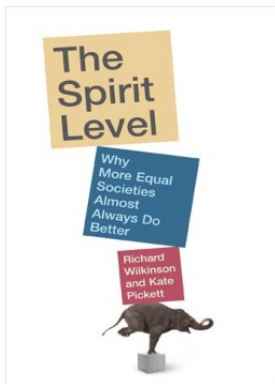
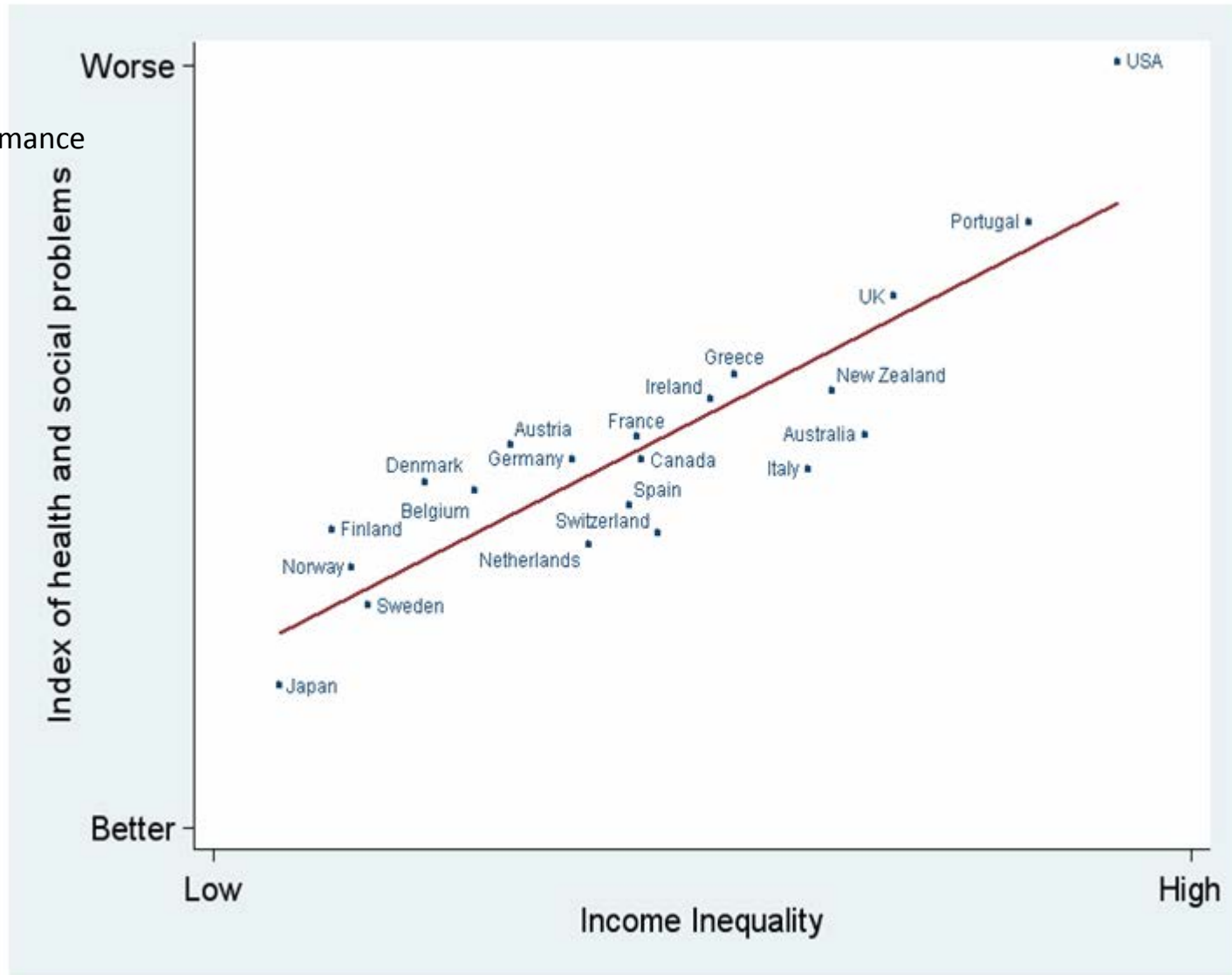
Un-Healthy



Confirmatory: Objective well-being indicators

More equal societies perform better on non-subjective indicators of societal well-being

1. physical health (life expectancy)
2. mental health/illness
3. drug and alcohol addiction
4. children's education performance
5. imprisonment rates
6. obesity
7. social mobility
8. level of trust
9. homicides
10. teenage birth rate, and
11. infant mortality.



Summary

- Public Policies matter, to promote SWB and minimize inequality (Welfare Social Investment Policies)
- Good data is needed to guide Public Policy (issue of regions) + statistical work to understand variations
- Well-being is multi-dimensional: SWB + objective societal well-being indicators.

SWB and the policy process

	Monitoring progress	Informing policy design	Policy appraisal
Evaluation measures	<ul style="list-style-type: none"> • Life satisfaction 	<ul style="list-style-type: none"> • Life satisfaction • Domain satisfactions e.g. work, relationships 	<ul style="list-style-type: none"> • Life satisfaction • Domain satisfactions • Satisfaction with services
Experience measures	<ul style="list-style-type: none"> • Happiness • Anxious 		<ul style="list-style-type: none"> • Happiness and worry
Eudemonic measures	<ul style="list-style-type: none"> • Worthwhileness-of-life 		<ul style="list-style-type: none"> • Worthwhile things in life

