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From Happiness to Social Provisioning: Addressing Well-Being in Times of Crisis

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Abstract

The paper offers a critique of happiness research based on subjective well-being (SWB) data and proposes an alternative approach to the study of well-being drawing on the political economy tradition. The World Happiness Report (WHR) interpretation of the impact of the global financial crisis on SWB data is used to illustrate the problems with happiness research and the merits of an alternative political economy approach to well-being. The development of such an approach takes inspiration from broader notions of social provisioning rooted in political economy, and its application is seen to yield a better understanding of the meaning of, and the changes in, SWB data than that found in the WHR.

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Introduction

Indicators of subjective well-being (henceforth SWB) have gained prominence as measures of progress in society. Garnering support from what has been dubbed as the ‘new science of happiness’ – which encompasses happiness economics and positive psychology (Layard 2005) – these indicators are increasingly presented as a powerful remedy to the well-known failings of GDP per capita as a measure of human progress. SWB indicators, it is claimed, allow individuals to speak for themselves about their levels of happiness. Thus, rather than inferring individual and societal well-being from recorded levels of GDP per capita, analysts can ascertain individual and, by aggregation, societal well-being by measuring self-reported SWB. The use of SWB data has yielded interesting and headline-grabbing results: first and foremost, the apparent disconnect between rising happiness and GDP levels in advanced economies. This result, named the ‘Easterlin paradox’ after Easterlin (1974) who first uncovered it, has promoted the view that policy makers should look beyond the targeting of increased growth and instead should prioritise the maximisation of happiness in society. In this way, the science of happiness resurrects the spirit and intent of Jeremy Bentham’s utilitarianism (O’Neill 2006a, 2006b), with happiness seen as something that is both measureable and requiring maximisation (Layard 2005; Duncan 2010; Stewart 2014).

The study of well-being has been given added impetus and urgency by the Global Financial Crisis (GFC) and ensuing austerity (Stiglitz et al. 2010; Jany-Catrice and Méda 2013). According to happiness research, SWB data provide a direct measure of well-being through these major global developments. This view is one that this paper seeks to question. The paper argues that Context matters in the definition and measurement of well-being. It would be extraordinarily convenient if social, material, cultural, as well as personal, local and contingent Context could be ignored, enabling well-being to be directly ‘read off’ from SWB surveys. However, drawing on a philosophy of objective well-being, the paper argues that
well-being measurement is inseparable from socially-specific Context. In particular, the paper stresses that processes of ‘financialisation’ have been transforming systems of social provisioning over the past thirty years or so, and that these processes form a Context that cannot be ignored when measuring well-being. The paper goes on to argue for a novel ‘political economy’ framework for interpretation of SWB data that is sensitive to social Context. For a political economy approach, SWB survey responses can vary systematically and independently of actual well-being in response to contextual developments such as the GFC. The political economy interpretation of SWB data affirms an opposite assessment of well-being during the GFC and austerity than the interpretation that is characteristic of happiness research.

The paper proceeds as follows. Firstly, two basic and opposing philosophical approaches to well-being definition and measurement are set out briefly – the subjective and objective approaches. The two approaches are shown to differ fundamentally in their respective assessments of well-being through the GFC and ensuing austerity. Secondly, the definition and measurement of well-being is placed into socially-specific Context, by considering the political economy of contemporary capitalistic provisioning, during the past thirty years of financialisation, the GFC and ensuing austerity. Thirdly, on the basis of this Contextualisation, a different and more satisfactory framework for interpretation of SWB data than happiness research is offered, affirming that well-being declined through the GFC and austerity. This affirmation runs counter to the World Happiness Report (2012, 2013 and 2015) (henceforth WHR), a key exemplar of happiness research in action. The crux of the argument is that, in the Context of such a seismic event as the GFC, respondents will tend to lower the benchmark norms against which they answer SWB questions, spuriously inflating measured SWB. The paper concludes that SWB survey responses are not absolute indicators
of well-being contra happiness research. Rather they are made relative to a complex social context and so can only be validly interpreted through a political economy approach.

**Two philosophies of well-being**

Approaches to well-being are diverse and span multiple disciplines. In order to offer a systematic and integrated approach, it is helpful to begin at the abstract level of philosophy. Two opposing philosophical approaches to the definition and measurement of well-being are commonly identified – subjective and objective – and will be described briefly below.

**Subjective Well-Being**

Happiness research, in line with utilitarian philosophy, sees well-being as a discrete and subjective property or state of individuals. Layard (2005), to take one example, sees positive well-being as concerned with ‘feeling good’ and negative well-being with ‘feeling bad’. Maximising well-being, understood in this subjective sense, forms the basis of ethical judgment according to happiness research, in line with utilitarianism. Happiness research argues that Likert-scale survey measures of SWB, for example asking respondents to rate their happiness on a scale of 1–7, (described in more detail in the section on the WHR below) provide an inter-subjectively comparable and additive measure of well-being. Therefore, during the recent period of the GFC and austerity, well-being can, for the subjective approach, be measured, in the same way as in any other context, through implementing SWB surveys on nationally-representative random samples. As will be discussed in the section on the WHR below, survey results show a slight increase in reported SWB during the GFC and ensuing period of austerity when averaging across all countries globally, though SWB declined in some of the hardest hit countries such as Greece.

**Eudemonia and ‘objective’ well-being**
The ‘eudemonic’ approach to well-being has a lineage dating back to Aristotle and can be presented as in direct opposition to the subjective approach (Haybron 2008; Dean 2010; Austin 2015). According to the eudemonic approach, human thought and action are not guided by a purely subjective and one-dimensional ‘utility’ maximisation principle or a ‘pleasure/pain’ nexus. Instead, humans are understood to be self-reflexive, social and practically active beings. Accordingly, well-being is not about the maximisation of a subjective construct called ‘SWB’ or ‘utility’. Rather, and to put it in Sen’s (e.g. 1999) terms, well-being is a matter of what people are able to be and do (‘capabilities’, which when actualised, become ‘functionings’). People need, develop, and have reason to value a range of beings and doings, and it is in the capability to attain or achieve such beings and doings that well-being lies. In this sense, well-being concerns multiple objective needs understood broadly and dynamically, to include the fundamental need for creative development and personal flourishing. Well-being is therefore to be measured in terms of what people are able to be and do – involving ability to access basic physical needs but also to develop and realise their goals and projects, pursuing good family relationships, good social relationships, fulfilling – free and creative – activity in work, education, or other pursuits.

Application of the objective approach is more complex in principle than is the case for the subjective approach because there are no set limits on what dimensions to be included, how they are to be measured and how, if at all, they are to be combined into an index. However, for the case of the GFC and ensuing austerity, the problem of choosing and weighting multiple dimensions is mitigated. This is because the GFC and ensuing austerity have caused deterioration across a range of objective dimensions of well-being. For the objective approach, income itself remains a very important dimension because the huge reductions in income during the GFC represent major reductions in what people can be and do, owing to the loss in purchasing power. Moving beyond just the dimension of income, Stuckler and
Basu (2013) chart the deleterious impact of the GFC and austerity on homelessness levels, unemployment rates, inequality (as correlated to ill-health), welfare provision and benefit levels, suicide rates, and HIV infection levels. Or, to focus on a particular dimension such as work, it is well-documented (such as Leschke and Watt 2014) that there is not merely increased unemployment but decline in several indicators of the quality of work – such as pay and deleterious contractual conditions (e.g. through part-time, short-term or zero-hours contracts) – due to the GFC. In practice, then, an objective well-being index will tend to decline when applied to countries hit by the GFC and ensuing austerity, under any reasonable choice and weighting of individual dimensions.

Comparing the two approaches to the philosophy and measurement of well-being reveals, then, empirical as well as philosophical disagreement. The SWB approach sees a slight increase in well-being over the GFC and ensuing austerity, whereas, for the eudemonic approach, there is a decline in well-being over the same period. How might this empirical difference be explained? It is difficult to extract a clear answer from the existing literature. Perhaps the most straightforward answer would be that subjective well-being and objective well-being are entirely different things, though this would imply a sharp dualism between subjective and objective aspects of human existence. Another answer might be that either SWB data or objective well-being measures, or both, are invalid. For example, a proponent of the objective approach might argue that SWB data do not measure anything because the underlying SWB construct is a fiction of utilitarian philosophy. However, the advent of good quality, nationally-representative SWB surveys makes wholesale dismissal of any meaning to SWB data difficult to uphold because the data reveal systematic patterns that could not be explained by chance – a point stressed by happiness research as affirming the validity of SWB data, and a point not lost on policy makers, as SWB has had an increasing influence on policy (Layard 2005). It is argued below that the apparent dualism of objective and subjective
aspects of well-being arises because happiness research fundamentally misinterprets SWB data. A ‘political economy’ framework for interpretation of SWB data will be developed that is different from, and can lead to opposing conclusions about well-being than, the framework of happiness research for interpreting SWB data. The starting point for the interpretation is the importance of political economy in putting well-being in socially-specific Context.

The need for comprehension of concrete social Context

Much of the well-being literature has remained at a very abstract level concerning the philosophy of well-being and its immediate applications for well-being measurement in multi-dimensional indexes. In the case of the philosophy of SWB then such abstraction from socially-specific Context is consistent, because the whole approach is premised on the idea that SWB is a discrete measurable property of individuals, without the need to incorporate complex social Context. However, abstraction from socially-specific Context is not consistent in the case of eudemonic philosophy. This is because objective well-being, as defined in the eudemonic tradition, is internally related to concrete social relations and activities. One can only be a banker within a socially specific banking system, a worker within a specific system of work, a family member within a specific form of the institution of the family, an artist within a specific system of art and culture – in each case the nature and meaning of what one can be and do is socially-specific. Therefore, without further development, an abstract philosophy of objective well-being cannot in principle achieve an integrated comprehension or measurement of actual well-being. For example, in the case of the GFC and ensuing austerity, whilst it can be shown that objective well-being has fallen across multiple dimensions, it is more difficult to assess the overall nature and level of well-being and so of the degree and significance of its fall. Such assessment requires comprehension of socially-specific Context, bridging the gulf between abstract philosophy and concrete data. It will be argued below that such comprehension of context is facilitated by political economy.
Objective well-being, political economy and systems of provision

Social provisioning and well-being

The tradition of political economy is centrally concerned with social provisioning of the material pre-requisites of well-being (Lawson 2003). Provisioning represents an invaluable starting point to contextualise any analysis of well-being because provisioning is the sine qua non for the satisfaction of needs, not to be considered in the abstract but integrally with its nature, conditions, content and modalities. Focusing on provisioning as opposed to exchange implies shifting away from the abstract emphasis on equilibrium, scarcity and market allocation characteristic of mainstream neoclassical economics (Lee 2009) in favour of the due consideration of institutions, processes, culture and values (Boulding 1986; Dugger 1996), the qualitative differences between distinct commodities and services (Nelson 1996; Fine 2002), as well as broader issues of ethics, power and gender (Nelson 1996; Power 2004; van Staveren 2001). Therefore, the view of provisioning belonging to the tradition of political economy has the potential to contextualise, deepen and enrich the vision of well-being associated with the idea of eudemonia.

Capitalistic provisioning

An integrated range of key insights on social provisioning is developed in political economy and heterodox economics (Brown et al. 2007). Firstly, consider insights that concern the basic character of the capitalist system. A core insight concerns the predominant drive or motive of the provisioning process. Under capitalism, money becomes an end in itself, in the form of profit (and interest and rent). Objective well-being, a qualitatively rich, multidimensional goal, is not the direct motive of capitalistic provisioning, but is subordinated to the motive of making ever larger sums of exchange-value in the form of money. Here, then, is an initial and troubling political economic insight into the capitalistic provisioning process,
one denied by mainstream economics. Further core insights concern the employment relation. The notion of social provisioning means that, contra mainstream economics, labour is not a mere instrumental necessity. Instead, people have a fundamental need for creative autonomy in and through labour (Spencer 2009; Levine and Rizvi 2005). Yet, capitalistic provisioning through wage-labour implies a social class who relinquish this fundamental need – the need for creative autonomy in labour – to the purpose of capitalistic profit-making. This form of provisioning also has implications for the distribution of the fruits of the fundamental capability of social labour to produce a surplus over and above subsistence needs (Duzenli 2015). In a capitalist society, this surplus is not distributed according to objective need but unequally in the form of profit, interest and rent, reproducing the inequality necessary to sustain the wage-labour relation.

Further discussion of these issues of creative work and the distribution of surplus under capitalism, that address in detail Sen and Nussbaum’s ambiguous views in this regard, can be found in Duzenli (2015), Spencer (2015), and Levine and Rizvi (2005). Other relevant discussion is contained in larger literatures regarding alienation, exploitation and ‘commodity fetishism’ (Brown et al. 2007). For the purposes of this paper, two points can be emphasised. Firstly, though there are fierce debates on the details, it is clear that in some way capitalistic provisioning threatens fundamental dimensions of objective well-being, whether in work or outside it. Therefore, assessment of the nature and level of well-being cannot ignore these abstract Contextual issues regarding the character of capitalism. Secondly, however, in order to comprehend the nature and level of well-being, it is necessary to introduce much more concrete aspects of Context in a way that retains, develops and augments the aforementioned insights. We argue below that the application of political economy to explanation of the contemporary period of capitalism does just this.

From financialisation...
The political economy tradition develops from a basic characterisation of capitalism to theories of capitalist accumulation and crisis. These include theories that are applicable throughout capitalism and theories of specific periods of capitalism, such as theories of the contemporary period of neoliberalism, globalisation and financialisation. Whilst the purpose of this paper is not to go into detail on these theories, it is crucial to point out that they are essential for comprehension and assessment of well-being because they put the GFC and ensuing austerity into rich historical and systematic context. Take the example of financialisation (Fine 2013b). Theories of financialisation reveal that there have been complex structural shifts in provisioning over the past thirty years, driven by the increasing power of finance and the increasing role of finance and financial instruments in more and more aspects of life, changing the nature of well-being in complex ways. Financialisation involves increased individualism and managerialism; increased external control of the work process; decreasing worker rights; increased personal debt and indebtedness; increased inequality; and an enhanced role for the profit motive and private finance (over and above the motive of social need) in provisioning.

The changes under the heading of financialisation could be argued to indicate a systematic reduction in well-being in advanced Western economies over a range of relevant dimensions over the past thirty years. However, assessment of well-being over such a long period is highly complex, and arguments that remain at the general level of financialisation cannot be conclusive because there is still a great deal more to the concrete context of everyday life. In order to aid comprehension and measurement of well-being, as well as to rebut the criticism that political economy is too remote from everyday experience, it is necessary to develop a yet more concrete comprehension of context, further developing and augmenting the more abstract insights regarding provisioning thus far achieved. For these purposes, the ‘system of
provision’ (henceforth ‘SoP’$^2$) approach, as developed within political economy, comes into its own.

...to ‘systems of provision’

The SoP approach (Fine and Leopold 1993; Fine 2002, 2013a) is precisely designed to illuminate provisioning in concrete practice. Furthermore, it aids understanding of the formation and influence of norms on social practice, and of the material cultures attached to provisioning. Initially borne out of the study of private commodity consumption, the SoP approach augments and develops the insights of political economy described above by proposing that there exist specific and unique SoPs attached to particular kinds of good or service. For example, water, housing, food, clothing, consumer durables, utilities, and so on, all involve very different (though nevertheless related) SoPs, bringing together production and consumption in very different ways, involving very different norms, and therefore requiring separate analyses. Each SoP is important to well-being in its own right because it involves provision of a particular kind of need, in a particular form and manner (such forms and modalities of provision themselves being important to well-being). Each SoP is also important to well-being as a concrete aspect and development of wider systemic processes such as financialisation. Building up comprehension of particular SoPs serves to develop and deepen more abstract theories such as those of financialisation.

An excellent example is that of the UK system of housing provision (for details see Robertson 2014, and this issue). The UK housing SoP includes integral roles for the state, for rent determination, for finance (fictitious capital such as securitised mortgages), for wage determination, and for culture (e.g. pro or anti homeownership), amongst a range of relevant aspects. More abstract theories of each relevant aspect must be applied, developed, augmented and uniquely integrated to grasp the contemporary UK housing SoP as a unified whole. The housing SoP is important to well-being in its own right because it involves
provision of a particular kind of basic need, in a particular form and manner (which is changing over time, e.g. the shift from housing as home to housing as asset). Within the UK a chronic undersupply, stemming from processes of financialisation and exacerbated by the crisis and austerity measures (inclusive of large-scale sale of public housing) has denied many people satisfactory access to this basic need. The housing SoP is also important to well-being as part of the financialisation process and of the GFC. The role of securitised mortgages in triggering and transmitting the GFC illustrates clearly this wider significance. Developing a comprehension of the housing SoP is not just a matter of theorising the housing SoP per se but also of further comprehending the wider system within which the housing SoP is an integral part. Similar remarks apply to the SoPs for water, utilities, food and so on. Comprehending different SoPs therefore illuminates the complex concrete Context for the beings and doings, the lived experience, and the well-being of people and groups.

It is clear that the GFC and austerity occurred in the Context of systemic developments under the rubric of financialisation that exacerbated rather than mitigated the tendency of capitalistic provisioning to prioritise private profits and finance over social need, in a manner harmful to the creative flourishing of people and hence their well-being. In order to continue to build up a comprehensive picture of well-being in Context, beyond the level of different SoPs, the next logical level of study is that of the lived experiences of social individuals and groups, their variegated vulnerabilities, and complex responses to their circumstances. A broad programme of mixed methods research engaging this concrete level has been ongoing in the FESSUD project, of which this paper and other papers in this symposium are a part. The remainder of this paper will focus on just one issue at the concrete level of lived experience, namely that of the interpretation of SWB data. Firstly, the happiness research approach to measuring well-being via SWB data in the period of financialisation, GFC and austerity will be illustrated via the example of the WHR. Secondly, a political economy
approach will be developed to offer a detailed alternative interpretation of the meaning of SWB survey responses and a corresponding critique of happiness research and the WHR.

**The GFC and reported happiness: the example of the WHR**

The WHR, initiated in 2012, with a second report in 2013 and third in 2015 (henceforth WHR 2012, WHR 2013 and WHR 2015, respectively) is an exemplar of happiness research in action. It seeks to promote a broad set of measures of well-being that go beyond GDP. These include the use of SWB measures drawn from surveys that ask people to rate their life satisfaction and happiness levels. These questions fall into two main categories: i) affect questions, for example, questions asking people how happy they felt the previous day; and ii) evaluative questions, for example, questions asking people to rate their satisfaction with their life as a whole. Questions such as the above are included in surveys conducted in different countries, and there is scope for cross-country comparisons of responses and their movement over time. Other high profile examples of happiness research in action include ONS (2016) and Durand (2015). Like the WHR, other such examples refer to the problems of GDP measurement (such as the omission of household labour – see Waring 2015) that they attempt to overcome in whole or in part through SWB data. In some cases, (for example, ONS 2016) SWB data are considered in isolation, in others (such as Durand 2015) SWB data are presented as part of a ‘dashboard’ of well-being measures, both subjective and objective. In all cases the same basic misinterpretation of SWB data as found in the WHR, and revealed below, is made. Thus the critique of the WHR that follows is illustrative of a general critique of the happiness research interpretation of SWB data.

The WHR 2013 analyses the impact of the GFC on SWB, an analysis supported and supplemented by WHR 2015 (Helliwell et al. 2015). We saw above that a political economy approach will conclude that the GFC and austerity has caused a decline in well-being as
measured across a range of objective dimensions. By contrast, despite the seismic socio-economic and political events of recent years, reported levels of SWB have not in general declined but have shown signs of improvement. To quote from the WHR 2013: ‘Despite the obvious detrimental happiness impacts of the 2007-08 financial crisis, the world has become a slightly happier and more generous place over the past five years’ (Helliwell et al. 2013: 4). Although there is recognised variation in the impact of the GFC on SWB (see below), the overall conclusion is that, at the global level, happiness levels have not declined and have even slightly increased in the wake of the GFC.

A more detailed analysis, using data from the Gallup World Poll, reveals that some countries have fared worse than others. The Gallup World Poll uses the Cantril ladder whereby respondents are asked to evaluate the quality of their lives against a scale, ‘with the best possible life for them as a 10 and the worst possible life as a zero’ (Helliwell et al. 2013: 9). In WHR 2013, the average Cantril ladder scores are compared between 2005-07 and 2010-12 for a large number of countries. The experience across Western European countries appears as particularly diverse. Of the 17 Western European countries considered, ‘six ... had significant increases, while seven countries had significant decreases, the largest of which were in four countries badly hit by the Eurozone financial crisis - Portugal, Italy, Spain and Greece’ (Helliwell et al. 2013: 14). In the latter countries, the ‘average fall in life evaluations, of two-thirds of a point on the 10-point scale, is roughly equal to moving 20 places in the international rankings ... or equivalent to that of a doubling or halving of per capita GDP’ (Helliwell et al. 2013: 15). Further, the recorded fall in life evaluations in these countries is explained not just by declines in income and rises in unemployment but also by an impairment of the social and institutional fabric of the countries concerned. Hence:

the biggest hit, in terms of the implied drop in life evaluations, was in respondents’ perceived freedom to make key life choices. In each country the crisis tended to limit
opportunities for individuals, both through cutbacks in available services and loss of expected opportunities. In the three of the four countries there were also increases in perceived corruption in business and government. Social support and generosity also each fell in three of the four countries (Helliwell et al. 2013: 15).

In short, according to WHR 2013, it is a combination of social and economic factors that explains the decline in SWB in the most crisis-hit countries of Western Europe, whereas for other Western European countries, such as the UK, well-being remained constant and in others it improved significantly. This conclusion is supported by affect measures of happiness, although the impact of social factors appears stronger for these measures than evaluative ones:

The patterns of affect change are consistent in relative size with those for life evaluations. Positive affect fell, and negative affect grew in Greece and Spain, by proportions as great as life evaluations. For Italy the affect picture was mixed, while for Portugal there were no significant changes. ... For Greece, but not the other countries, the affect changes are comparatively larger than for life evaluations, as reflected by the greater number of places lost in the international rankings’ (Helliwell et al. 2013: 17).

The erosion in trust is seen as an especially important factor in explaining the ‘exceptionally large well-being losses in Greece’ (Helliwell et al. 2013: 17).

**Reinterpreting SWB data**

The SWB data, as interpreted in the WHR, are in isolated instances consonant with a political economy approach, for example SWB data fall for some of the countries hardest hit by the GFC and austerity, particularly Greece. However, taken overall, the SWB data, as interpreted in the WHR, contradict the political economy view developed above. Reported SWB has
increased or remained stable in many countries, inclusive of countries hard hit by the GFC and austerity such as the UK, leading globally to a slight rise in reported SWB. How can so many countries experience the worst downturn in a lifetime, and ensuing austerity, with significant decline in objective dimensions of well-being, and yet continue to report high, stable or even rising SWB? It is argued below that this paradox can be resolved by reinterpreting the SWB data through a political economy perspective on how individuals respond to SWB social surveys. The process of responding to SWB surveys centrally involves the norms and expectations of survey respondents, which are dependent on Context, as recent philosophical and political economy approaches have illuminated in some detail.

The importance of Context: philosophical insights regarding norms and expectations

An important philosophical insight consonant with political economy is that there is a social and ethical dimension to the norms and expectations held by survey respondents. As Haybron (2007a, 2007b) stresses, the act of self-evaluation of life satisfaction or of expressing some degree of happiness with one’s life entails ethical judgment. Under some cultures (for example, a range of religious doctrines), it may be considered a moral obligation to report high well-being – and an ethical failing to report low well-being. More mundanely, it may be simply a matter of pride or self-esteem not to report low levels of satisfaction or happiness with life, regardless of the actual level of well-being achieved by people. For other cultures, there may be no such obligation or indeed an obligation to be modest in reporting well-being. This is not just an individual matter; rather it also concerns socio-cultural systems. The level of reported SWB will therefore differ systematically across countries reflecting different cultural norms prevalent in each individual country, independently of the respective actual well-being levels. An example is East Asia’s well-documented ‘modesty bias’, whereby respondents consistently report lower well-being scores (see Gough 2015). It is therefore
invalid to interpret the level or the cross-country difference of reported SWB in surveys as reflecting actual well-being contra the WHR.

A further insight is that norms and expectations regarding well-being have a practical and reflexive dimension – in keeping with the core philosophical idea of the self-reflexive and practically active individual. In so far as practical day-to-day activity is concerned, it would make no sense to evaluate one’s own well-being against a benchmark that is not practically attainable. A rich empirical literature on SWB data in respect to work well-being serves to illustrate and substantiate this philosophical insight, examining in detail how survey responses of those with low well-being are inflated through the practical orientation of respondents (Brown et al. 2012). Walters (2005), for example, finds that survey responses regarding well-being at work were made relative to the benchmark of feasible available alternatives – in this case, alternative available jobs. For the low paid, this was a very low benchmark of comparison giving rise to high reported well-being at work. Responses to the same questions when made through in-depth interview may, however, reveal a very different picture. In-depth interviews invite interviewees to step back from the day-to-day practical orientation, allowing them to expand and reflect upon their survey responses. Specifically, this allows for the consideration that day-to-day feasible alternatives may be very limited in relation to those enjoyed by members of other social groups. Thus, when asked to reflect more deeply on well-being in in-depth interviews, Walters (2005) found low-paid women were all too aware that they had limited opportunities relative to others. As Walters puts it, in in-depth interviews, it becomes clear that the true satisfaction of low paid people is not being expressed by SWB data, rather what she terms ‘satisficing’ or making the best of a bad situation is being exhibited.

The importance of Context: towards a general framework
The level of abstraction of the SoP approach is sufficiently close to the level of concrete individual experience and activity that it can offer insights into the relationship between the actual beings and doings of people that are constitutive of their well-being, on the one hand, and their norms and expectations, on the other. Though internally related, the relationship between well-being (beings and doings) and norms and expectations is not straightforward. Rather, for the SoP approach, the relationship is likely to be complex and Contradictory. This is why, as argued above, different Contexts can elicit different responses to SWB questions (the example given above was the difference between the Context of a survey and that of an in-depth interview). In fact, through ongoing application of the SoP approach, a whole series of insights regarding the relationship between culture and material practice has been developed, yielding a general framework for addressing material culture. According to this framework, material culture is subject to what have been termed the ‘10Cs’: culture is Constructed, Construed, Conforming, Commodified, Contextual, Contradictory, Closed, Contested, Collective and Chaotic (see, respectively, Fine 2013a and Fine 2013b, and Introduction to this Special Issue). Whilst not the place to detail each one of these aspects, there are two key points for the argument of this paper: firstly, the 10Cs, in conjunction with the arguments developed above, affirm the possibility of systematic movements of norms and expectations that mask the level and movement of actual well-being from SWB data; secondly, they sensitise the researcher to the many complexities of the norms and expectations held by any one individual or group, and help in the identification of the systemic significance of such local and specific norms.

‘SWB’ as a subjective assessment of objective well-being

Well-being, life satisfaction, and happiness are, according to the above argument and evidence, well-understood by survey and interview respondents. Thus, the standard criticism of objective approaches that they are ‘paternalist’ – asserting what is best for people
regardless of the latter’s stated views – is demonstrably incorrect. Where happiness researchers err is in failing to recognise the Contextual complexity and nuance behind the views expressed by survey respondents. Here the suggestions of O’Neill (2006a, 2006b) and Austin (2015) can be drawn upon. They argue (as part of an argument for what they call a ‘scope’ fallacy in happiness research) that survey respondents take due consideration of their objective well-being – their ability to pursue their goals and projects in terms of family, friends, relations, work, health and other valued dimensions. Respondents make a subjective assessment of their degree of capability across these objective dimensions. SWB data, then, provide a subjective assessment of objective well-being, made relative to benchmark norms and expectations that can change according to Context. This suggests a framework of interpretation according to which reported happiness or life satisfaction can be seen as dependent on two broad sets of factors as follows:

**Reported well-being** in SWB surveys depends positively on (1) respondents’ **actual well-being** and negatively on (2) respondents’ norms and expectations.

This framework, unlike the happiness research interpretation, does not equate reported well-being changes with actual changes in well-being. The key point is that respondents’ answers to affect and evaluative questions concerning SWB do not provide an absolute assessment of their well-being, but rather they are made relative to the benchmark norm or expectation against which they assess their well-being (Brown et al. 2012). Within this framework, one can only interpret movements in SWB data as directly reflecting changes in well-being if one can assume that norms and expectations are constant or if one can assume norms and expectations are moving in the same direction as SWB data (in which case the observed SWB movements are being partially but not fully offset by counterbalancing movements in norms and expectations). This point bears on the evaluation of the results of the WHR. The GFC has reduced the quality of people’s lives on a range of dimensions, as argued by a political
economy approach, but it is also likely to have caused people to lower their norms and expectations about life, inflating their reports of SWB and so offsetting the effect of falling well-being on SWB data. This may then explain the paradoxical result of slightly rising reported SWB in the context of the GFC and austerity. This result, crucially, can be suggested to mask a reduction in the quality of peoples’ lives during the years of GFC illustrating the invalidity of SWB data as a direct measure of well-being.

The political economy framework appears simple but its depth and nuance is illustrated by the irony that happiness research recognises, indeed emphasises, the presence of ‘adaptation effects’. These effects appear in explanations of the Easterlin paradox – mentioned above – and the notion of the ‘hedonic treadmill’ (Brickman and Campbell 1971) according to which people display the tendency to return rapidly to relatively stable happiness levels, despite major positive or negative events, shocks or life changes. Yet, a glaring absence in the happiness literature is the obvious consequence of these findings: that SWB data do not necessarily reflect changes in well-being when the norms against which respondents assess well-being are also changing (Stewart 2014). The refusal to recognise that happiness indicators are a relative not an absolute measure of well-being has meant that happiness research has drawn conclusions about the direction of progress in well-being from SWB data that entirely overlook the possibility that the systematic lowering of norms and expectations, in adapting to the GFC and austerity, might conceal the negative effects of the GFC and austerity on well-being. This mistake is perfectly illustrated by the counterintuitive conclusion of the WHR that global well-being has, on average, been slightly increasing since the onset of the GFC.

Given this alternative political economy framework for interpretation, then SWB data are potentially of interest but not because they measure actual well-being. Rather, they are sometimes suggestive of important social developments when put in their proper context. For
example, what really stands out in the SWB data presented and wrongly interpreted by the WHR are the marked declines in reported SWB in Greece relative to other countries and relative to the past. The contrast can be made to, say, the UK, with stable and high SWB data, despite deep recession and austerity. Our key argument is encapsulated in interpretation of this contrast. The contrast does not mean that the level and nature of well-being has remained the same in the UK; to the contrary, the period of crisis and austerity has reduced well-being on multiple objective dimensions. The influence of changing norms and expectations on survey responses may instead have masked this fall in well-being from SWB data. By contrast, the marked decline of SWB measures in Greece suggests that the deterioration in actual well-being owing to the GFC and austerity is so great that many people in Greece have not been able to adjust their norms and expectations to enable stable day-to-day activity to carry on ‘as normal’. The SWB data, therefore, may suggest threat to stability and order in Greece. Of course, this interpretation presupposes a host of more concrete considerations, not least those relating to the social and political environment of Greece. The crucial point is that to make sense of SWB data there is a need for critical scrutiny of the broader concrete context. The importance of Context thus lies at the heart of the suggested political economy framework for the interpretation of SWB data.

**Conclusion**

The paper has drawn on diverse literatures in philosophy, economics, and social and political science in order to systematise a political economy approach that can offer insight into the definition and measurement of well-being. It has been argued that the measurement of the nature and level of well-being cannot be Context-free but must incorporate the socially-specific Context constituted by the basic character of the capitalist system, and its tendency to privilege profit over need, by systemic processes such as financialisation and, at a concrete level, by multiple SoPs. A feature of the paper has been the incorporation of the SoP
approach which has proved helpful both in reinterpreting and making sense of SWB data and in forming and promoting critical insights on the concrete effects of financialisation, the GFC and austerity on well-being.

The paper has argued that one prominent modern example of research on well-being – that associated with happiness research – is flawed in the sense that it asks us to take at face value the results of SWB data. In practice, it leads to confusion when SWB data remain unaffected by, or even show signs of improvement in the context of, severe and long-lasting negative shocks to the economy such as the GFC and ensuing austerity. The paper has introduced and developed an alternative approach to the interpretation of SWB data that: (1) recognizes the separable influence of norms and expectations on SWB data, and thus avoids the mistake of inferring rises in well-being when economic conditions are getting much worse; (2) defines the well-being of people in terms of the objective beings and doings that they are capable of achieving and that meet their needs, understood broadly to include the need for creative development and personal flourishing.

The reader expecting insights into a ‘science of well-being’ that is entirely separable from political economy will be left disappointed by the paper. For well-being is not some discrete property, ‘utility’ or some such, lurking in the heads of atomistic individuals, immune to social context. No such property exists. There are just people, their beings and doings constitutive of well-being, to be comprehended in an integrated way and in the proper social context, which cannot be done without political economy. Accordingly, the broader goal of the paper has been to promote the importance of political economy for well-being research and vice versa.
References

Austin, A. (2015), ‘On Well-Being and Public Policy: Are We Capable of Questioning the Hegemony of Happiness?’, Social Indicators Research (advance access).


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1 The core idea of this alternative framework for interpretation of SWB data was first suggested (to the knowledge of the authors) by O’Neill (2006a and 2006b) and later by Austin (2015). The idea was previously developed for the interpretation of work well-being by Green (e.g. 2006) followed by others such as Brown et al. (2007), and the framework developed in this paper generalises and adapts this previous framework in order to address the case of SWB in general.

2 From now onwards, we will refer to the systems of provision approach as the SoP approach, to any specific system of provision as a SoP, and to more than one system of provision as SoPs.