



Hungry today, unhappy tomorrow? Childhood hunger and subjective wellbeing later in life[☆]



Marco Bertoni*

University of Padova, Italy

ARTICLE INFO

Article history:

Received 8 May 2014

Received in revised form

18 December 2014

Accepted 18 December 2014

Available online 29 December 2014

JEL classification:

C42

I31

J13

Keywords:

Subjective wellbeing

Hunger

Anchoring vignettes

ABSTRACT

I use anchoring vignettes to show that, on data for eleven European countries, exposure to episodes of hunger in childhood leads people to adopt lower subjective standards to evaluate satisfaction with life in adulthood. I also show that, as a consequence, estimates of the association between childhood starvation and late-life wellbeing that do not allow for reporting heterogeneity are biased towards finding a positive correlation. These results highlight the need to consider rescaling when drawing inference on subjective outcomes.

© 2014 Elsevier B.V. All rights reserved.

1. Introduction

There is wide evidence in economics showing that family background and shocks taking place early in life affect human capital accumulation, health and socio-economic conditions throughout

the life course.¹ Understanding the long reach of events happening in critical periods of human development is of uttermost importance for both economists and policy makers to identify the proximate causes of successful lives (Layard et al., 2013).

In particular, exposure to childhood starvation has been widely studied by economists as a case of extremely severe and usually temporary material deprivation that might anyhow have permanent negative consequences. Recent research has shown that hunger episodes experienced in the earliest phases of life (Meng and Qian, 2009; Lindeboom et al., 2010; Neelsen and Stratmann, 2011) and until early adolescence (Havari and Peracchi, 2011; Pinger et al., 2011; Portrait et al., 2011; Kesternich et al., 2013) have

[☆] This paper draws from a chapter of my PhD thesis. I am extremely grateful for supervision from Giorgio Brunello, for advice from Danilo Cavapozzi, and for suggestions and comments from the Editor, two anonymous referees, Viola Angelini, Andrea Brandolini, Massimiliano Bratti, Martina Celidoni, Luca Corazzini, Michele De Nadai, Marta De Philippis, Enkelejda Havari, Monica Langella, Andrea Moro, Omar Paccagnella, Mario Padula, Paolo Roberti, Silvana Robone, Lorenzo Rocco, Alfonso Rosolia, Elisabetta Trevisan, Guglielmo Weber, participants at the 3rd Potsdam Workshop in Empirical Economics, the 2014 BOMOPAV Workshop, the 2014 ASSET meeting, and at seminars in Padua, Venice and the Bank of Italy. All results mentioned in the paper but not shown are available from the author. All errors are my own. This paper uses data from SHARELIFE release 1, as of November 24th 2010 and SHARE release 2.5.0, as of May 24th 2011. The SHARE data collection has been primarily funded by the European Commission through the 5th framework programme (project QLK6-CT-2001-00360 in the thematic programme Quality of Life), through the 6th framework programme (projects SHARE-I3, RII-CT-2006 062193, COMPARE, CIT5-CT-2005-028857, and SHARELIFE, CIT4-CT-2006-028812) and through the 7th framework programme (SHARE-PREP, 211909 and SHARE-LEAP, 227822).

* Correspondence to: Department of Economics and Management "M. Fanno", University of Padova, via del Santo 35, 35123 Padova, Italy. Tel.: +39 049 8274050. E-mail address: marco.bertoni@unipd.it

¹ On the one hand, Cunha and Heckman (2007), propose a formal dynamic model of investment in skills across the life cycle, while Currie (2009), provides a thorough review of the empirical studies documenting a link between family background, childhood health and human capital accumulation. On the other hand, wide evidence is available on the effects of childhood shocks on late-life outcomes. For instance, Ichino and Winter-Ebmer (2004), Akbulut-Yuksel (2009), Kesternich et al. (2014), and Jürges (2013), find negative effects of exposure to World War II on education, health and labour market outcomes, while Lindeboom et al. (2006), Angelini and Mierau (2012), and van den Berg et al. (2010, 2014), relate exposure to negative macroeconomic conditions at birth to longevity, childhood health and the cognitive and health decline due to adverse shocks later in life.

persistent negative effects on education, late-life health, and labour market outcomes. Hypothesized pathways are both due to biological effects (the *fetal origin hypothesis* – see Almond and Currie, 2011) and to behavioural reactions (see Kesternich et al., 2013).

On the other hand, little is known yet about the link between childhood hunger and subjective wellbeing later in life. This is quite surprising given the increasing effort devoted by policy makers and economists to the analysis of self-reported happiness, with the aim of considering a definition of wellbeing that goes beyond strictly economic measures and encompasses multiple dimensions of quality of life (Layard, 2005, 2006). Nicolas Sarkozy's and David Cameron's speeches inviting to make happiness the new *policy maximand* instead of GDP, the United Nation's *World Happiness Report* series and the OECD's *Better Life Index* are only some examples of policy efforts in this sense, while Frey and Stutzer (2002), Dolan et al. (2008), Powdthavee (2010), and Graham (2012), provide thorough reviews of the academic work carried out on subjective wellbeing measures as a tool for welfare analysis. The little evidence about the long reach of childhood hunger on happiness later in life available so far, presented by Havari and Peracchi (2011), documents that the experience of extreme material deprivation due to war-driven hunger episodes has negative scarring effects on mental wellbeing decades later, but the topic is still under-researched. From a broader perspective, Frijters et al. (2011), and Layard et al. (2013), analyze life-cycle models of subjective wellbeing, that link a large set of childhood conditions to subjective wellbeing later in life.

This paper contributes to the literature by taking a different viewpoint on the relationship between childhood hunger and late-life wellbeing. A standard assumption in the analysis of satisfaction with life is the absence of heterogeneity in the way people interpret what “being satisfied” means. However, as underlined by Clark et al. (2005), if people systematically attached different labels to the same concept of wellbeing, a crucial issue of heterogeneity in reporting styles would limit the use of subjective measures of welfare. In psychometrics, this problem is known as Differential Item Functioning (Holland and Wainer, 1993).

Deaton (2008), highlights in this sense that the evaluation of subjective wellbeing is a relative one: people compare their situation with a subjective benchmark, a “shifting standard” that depends on one's past experiences. According to the satisfaction treadmill model of hedonic adaptation (Kahneman, 1999; Frederick, 2007), the experience of extreme deprivation leads people to develop lower aspirations regarding the level of life achievements to consider as satisfying. As a consequence, when asked to evaluate a given situation, individuals exposed to hunger episodes in the past may assign it a better judgement than people not exposed, even if that situation represents the same level of “latent” happiness for both groups. This point is raised also by Sen (1985a, 1985b), within the capabilities approach to welfare analysis. He considers subjective evaluations as an unreliable basis to formulate normative judgements, precisely because of adaptive aspirations. In his view, the experience of negative conditions may push individuals to accommodate their desires to contextual constraints (Comin et al., 2004). As a consequence, for instance, poor people could report to be satisfied with their lives even if their latent wellbeing is low, because of “deformed” aspirations.

To the best of my knowledge, no empirical evidence is available on the relation between exposure to negative childhood conditions, and hunger in particular, and individual reporting scales. This paper contributes to fill this gap. On top of the importance of this question to qualify how hedonic adaptation to negative life events works, modelling response scales allows me to evaluate the association between exposure to hunger episodes in childhood and late-life

wellbeing levels without issues of rescaling bias. Following Sen's approach, if people exposed to hunger adopt lower reference points to define a satisfactory life, estimates of the association between hunger and subjective wellbeing that do not take rescaling into account will be biased towards finding a positive correlation.

The empirical difficulty related with this exercise is the separate identification of the effects of childhood hunger on reporting scales and on latent wellbeing. To this end, I rely on an anchoring vignettes approach (see King et al., 2004).² Anchoring vignettes can be considered as the “Rosetta stones” of subjective evaluations. In a vignettes questionnaire, respondents first evaluate their own situation in a given domain, then they rate a series of descriptions of situations of hypothetical persons, the anchoring vignettes, on the same rating scale used for the self-assessment. Under the assumption that systematic variation in vignette ratings only reflects differences in reporting styles, I can exploit the vignettes to model individual reporting scales and, in turn, to filter subjective evaluations from reporting heterogeneity.³

I use data on the population aged 50+ of eleven European countries from the Survey of Health, Ageing and Retirement in Europe, SHARE. There are two main advantages of using SHARE for this analysis: the second wave of the survey contains a set of vignettes on life satisfaction, while the third wave collects retrospective information on people's life histories, including data on exposure to periods of hunger in childhood and on family background.⁴

My main empirical result is that the experience of childhood starvation leads people to shift downwards their subjective reference points for the evaluation of satisfaction with life, i.e., to give a higher rating to the same latent level of wellbeing. I also estimate a long run negative association between hunger exposure in childhood and late-life happiness, but contrarily to the extant literature I am the first to derive this result from a model that takes differences in reporting styles into account. Comparing my estimates with the ones from a model that does not allow for reporting heterogeneity, I conclude that failure to address this issue leads to underestimate the negative relationship between childhood hunger and late-life wellbeing.

Beyond contributing to the economic and psychological literature on hedonic adaptation, showing an example of satisfaction treadmill, my findings are especially relevant for the economic literature that wants to model the determinants of life satisfaction over the life cycle, as they highlight the need to consider the relationship between past conditions and individual-specific reporting scales to draw conclusions that are free from rescaling bias.

The paper unfolds as follows. Section 2 presents the data and some descriptive statistics. The econometric model is described in

² From an econometric perspective, commonly used techniques to deal with reporting heterogeneity when longitudinal data are available include also the use of individual fixed effects models, that tease out time-invariant scale effects. Still, results from Angelini et al. (2011), highlight that the scale people use to rate their conditions is a time-varying one, and these techniques are not of much help to deal with cross-sectional data.

³ This approach was introduced in social sciences by King et al. (2004), in the context of political efficacy. Kapteyn et al. (2007), and Angelini et al. (2011), are illustrative examples concerning disability conditions, while Bago d'Uva et al. (2008), Kok et al. (2012), and Peracchi and Rossetti (2012), study self-reported health and depression, and Rice et al. (2011, 2012), deal with health system responsiveness. In the context of life satisfaction, Angelini et al. (2012, 2015), look at satisfaction with life in general, and Bonsang and van Soest (2012a, 2012b), look at satisfaction with social contacts, job and income.

⁴ These measures have been validated against potential issues of recall bias in other studies (see for instance Garrouste and Paccagnella, 2012; Havari and Mazzonna, 2011). However, given the self-reported nature of the information on hunger episodes, if more pessimistic people are more likely to report that they have suffered of hunger, then the effects of hunger on reporting scales that I estimate are lower bounds to the true ones.

Download English Version:

<https://daneshyari.com/en/article/961193>

Download Persian Version:

<https://daneshyari.com/article/961193>

[Daneshyari.com](https://daneshyari.com)