

The Good Life, Affluence, and Self-reported Happiness: Introducing the Good Life Index and Debunking Two Popular Myths

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Summary. — This paper examines two highly controversial questions about human well-being in the richer part of the world. First, is people's quality of life (still) enhanced by national prosperity? Many scholars doubt this, in particular advocates of de-growth. The second question concerns the relationship between the good life and self-reported happiness: Do people chiefly report being happy and satisfied for reasons embodied in achieving a good life? For addressing these issues we draw on a novel quality of life approach, the 'elements of the good life' as sketched out by Skidelsky and Skidelsky in 2013. This approach focuses on life results in seven domains: *health, security, friendship, respect, leisure, personality, and harmony with nature*. Our article refines the original concept and suggests a way to measure the well-being of individuals with the help of the *Good Life Index*. By analyzing data for 30 European countries from the most recent European Quality of Life Survey (EQLS) within a multilevel framework, we can show that Europeans' life-quality is better in wealthier societies, and that Europeans are *authentically* happy.
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1. INTRODUCTION

Does (further) economic prosperity make life better? And what constitutes a good life anyway? These two questions have become a hot topic in academia, in political circles, and for the general public, particularly in the affluent Western world, but also in the larger development context (Boarini, Kolev, & McGregor, 2014; Kroll, 2015). There is a growing consensus that economic wealth should not automatically be equated with people's quality of life (a term which we will use as a synonym for well-being), and that the Gross Domestic Product (GDP) should not be taken as the prime measure of human progress and societal development (Gertner, 2010; Tsai, 2011). Establishing this key insight has been on the agenda of the social indicators movement from its very beginning in the 1960s (Zapf, 2000). A number of different quality of life (QOL) concepts have been developed since then (for an overview, see Gasper, 2010; Phillips, 2006), and an even greater number of indices and social reporting initiatives that try to quantify either collective or individual well-being (cf. Hagerty et al., 2001; Noll & Berger, 2014). Recently, the well-known Stiglitz-Sen-Fitoussi report on the measurement of economic performance and social progress has given the social indicators movement's agenda new momentum (Stiglitz, Sen, & Fitoussi, 2009). Next to recommendations for revising the GDP, it also includes recommendations for measuring people's QOL (Noll, 2011; Tsai, 2011).

Disentangling GDP and QOL conceptually makes it possible to enquire to what extent economic wealth is actually furthering people's well-being. In particular for those highly developed countries, it has been repeatedly argued that economic progress has done its job in leading to better lives and better societies. The case has been argued for happiness and life satisfaction (Easterlin, 1974, 2001) as well as for population health and social problems (Wilkinson & Pickett, 2010). Some scholars even claim that the pursuit of economic success actually reduces people's well-being, so that having less would actually be better (De Graaf, Wann, & Naylor, 2014; James, 2008).

The book *How much is enough? Money and the good life* (henceforth *How much is enough?*) by Skidelsky and Skidelsky (2013) is an important recent contribution to these discussions.¹ It unfolds, first of all, a new conceptual approach to QOL, the elements of the good life, which the authors position against the capabilities approach (Sen, 1993) and subjective well-being (SWB) (Diener, Scollon, & Lucas, 2003; Veenhoven, 2012). Secondly, it is firmly embedded in the critical discussion about how much economic wealth is actually needed in order to live well, and Skidelsky and Skidelsky join the ranks of skeptics about what (further) economic wealth can do in this respect. In fact, their main empirical claim is a decoupling of national wealth from individuals' quality of life, at least among the affluent developed countries. The second empirical claim in *How much is enough?* concerns the allegedly flawed reasons behind Westerners' sense of happiness and life satisfaction. Being highly skeptical of self-reported hedonic well-being, Skidelsky and Skidelsky argue that SWB measures merely reveal how happy people think they are, instead of accounting for how good life actually is, judged against an eudaimonic yardstick of a fulfilling life.

The main shortcoming of the book is probably that the elements of the good life are, for the most part, discussed at a conceptual level only. Whenever empirical evidence is presented, it seems to be very much detached from the basic goods which constitute the good life (see below) and consequently does not allow for a systematic account of how much is enough. Thus, the empirical claims remain largely unproven. Against this background, the goal of this article is twofold. Firstly, building on Skidelsky and Skidelsky, we suggest a better operationalization of their QOL approach, drawing on data from the most recent European Quality of Life Survey

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2011–12. Whereas Skidelsky and Skidelsky (2013) provide scattered evidence on single basic goods for a few countries only (mainly the United Kingdom), we suggest a comprehensive Good Life Index based on micro-data for 30 European countries. Secondly, our new index enables us to address the two major empirical claims put forward in *How much is enough?*: with respect to national income, that affluence is, at best, unrelated to the good life and, at worst, harmful; and with respect to happiness, that people report being happy and satisfied mostly for reasons other than those embodied in the elements of the good life. We will provide compelling evidence that both the link between economic prosperity and the good life and the link between the good life and SWB is stronger than Skidelsky and Skidelsky assume.

The article is structured as follows. The next section provides a brief summary of the good life approach and its major empirical assertions, as formulated by Skidelsky and Skidelsky (2013). We then critically discuss the good life approach, touching upon conceptual issues, but focusing on the fragmentary and at times questionable empirical implementation. Next, we develop our own measurement based on individual-level data, from which a summary Good Life Index can be derived. We provide a first empirical account of how well people live in Europe, judged against this novel QOL concept. Using multilevel regression models, we finally probe the empirical relationship between national affluence and the good life on the one hand, and between the good life and happiness/life satisfaction on the other.

2. A NEW APPROACH TO QUALITY OF LIFE: ELEMENTS OF THE GOOD LIFE

In this section, we briefly introduce the QOL approach developed by Skidelsky and Skidelsky (2013), as well as their key hypotheses. Please note that a critical discussion will follow in the next session.

(a) *The good life: an overview*

In *How much is enough?*, it is argued that money cannot be an end in itself and “endless growth [...] is senseless” (Skidelsky & Skidelsky, 2013, p. 7). While people in the highly developed West have achieved great wealth, “the habits bred into us by capitalism have left us incapable of enjoying it properly” (Skidelsky & Skidelsky, 2013, p. 7). In modern capitalism, the argument goes, we have become “so absorbed in the means that [we] forget the ends” (Skidelsky & Skidelsky, 2013, p. 9). These ends, according to Skidelsky and Skidelsky, are the elements of a good life. Whereas the material conditions of the good life already exist, at least in the affluent parts of the world, “the blind pursuit of growth puts it continually out of reach” (Skidelsky & Skidelsky, 2013, p. 13). With this criticism, they take up a well-known leitmotif developed in previous books, from *The joyless economy* (Scitovsky, 1976) and *The challenge of affluence* (Offer, 2006) to *The spirit level* (Wilkinson & Pickett, 2010) and *Affluenza* (De Graaf et al., 2014).

Going back to Aristotle’s concept of eudaimonia, Skidelsky and Skidelsky define the good life as “a life that is desirable, or worthy of desire” (2013, p.145). Specifically, they present seven basic goods which together make up the good life in their understanding. These basic goods have distinct characteristics which serve as criteria for inclusion in the list. These characteristics are:

- *Universality*: Basic goods are potentially universal—i.e., they are valued across different cultural zones.
- *Finality*: Basic goods do not just serve “as a means to some other good” (2013, p.151), but are an end in themselves. In order to identify a basic good, one has to ask “what is x for?” over and over again until a (clear) answer is no longer possible.
- *Sui generis*: A basic good is not incorporated in some other good—e.g., friendship is used to describe all stable relationships, family and non-family, that are characterized by love and trust.
- *Indispensability*: Lack of one good leads to loss or harm, although this might not always be perceived as such by the individual. Notably, lack of one good cannot be compensated by an abundance of another.

Based on these criteria, the authors identify the following seven basic goods:

1. *Health*, defined as the “full functioning of the body [...], being in ‘tip-top condition’ with everything ‘working as it should’” (2013, pp. 154–155). Furthermore, it is stated that “health includes all things needed to sustain life”, as well as “vitality, energy, alertness [...] and [...] a happy obliviousness of one’s own body” (2013, pp. 154–155).
2. *Security*, defined as, “an individual’s justified expectation that his life will continue more or less in its accustomed course, undisturbed by war, crime, revolution or major social and economic upheavals” (2013, p. 156).
3. *Respect*, defined as an individual’s feeling that others “regard his views and interests as worthy of consideration, as things not to be ignored or trampled on” (2013, p. 158). Respect is similar to dignity, but explicitly interpersonal and not inherent in rank or social position.
4. *Personality*, defined as, “the ability to frame and execute a plan of life reflective of one’s tastes, temperament and conception of the good” (2013, p. 160). It includes “spontaneity, individuality, and spirit”, and requires a private space to develop one’s personality free from pressures to fulfill a certain social role (2013, p.160).
5. *Friendship*, defined as, “all robust, affectionate relationships” (2013, p. 163), both within and outside one’s family. Friendship is also embodied, in a broader sense, in social trust.
6. *Leisure*, defined as, “not just time off work, but a special form of activity in its own right, which we do for its own sake” (2013, p. 165). This includes all recreation involving active, skilled participation and may even include work if it is undertaken for its own sake and not simply for the money earned. What matters for an activity to qualify as leisure in the authors’ terms is a “character of ‘purposiveness without purpose’” (2013, p. 166).
7. *Harmony with nature*, defined as, “a sense of kinship with animals, plants, and landscapes” (2013, p. 162) and closeness to rural areas or representations of these—e.g., in local food markets.

Skidelsky and Skidelsky themselves mainly introduce their concept vis-à-vis two other approaches, capabilities, and SWB. The emphasis on life outcomes, instead of well-being, freedom, and opportunities, is highlighted as the key difference to the capabilities approach (Robeyns, 2005; Sen, 1993). The basic goods are “not just means to, or capabilities for, a good life; they are the good life” (Skidelsky & Skidelsky, 2013, p. 148). It is argued that it is not enough to have the capacity to lead a good life, but actually leading a good life is what matters. The historically unique condition of affluence in Western societies (and elsewhere) requires a focus on ends rather than

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