Towards a sustainable well-being

Cristina Roxana Tanasescu1, Camelia Oprean2
1 “Lucian Blaga” University of Sibiu, Romania
2 “Lucian Blaga” University of Sibiu, Romania

Abstract. Given the need of a new economic paradigm for the achievement of a world of sustainable well-being, this paper presents the main findings from the literature on sustainable well-being. We try to identify a few approaches of measurement, highlighting strengths and weaknesses. We analyzed Romania’s position in the global context in terms of happiness index. Are sustainable well-being indicators a good guide for policy-making? Also, the paper discusses the role of education in ensuring the sustainable well-being.

Keywords: sustainability, well-being, happiness, positive education.

JEL codes: D6, Q01, Q56.

1. Introduction

The world economic and financial crisis of 2007 has made it abundantly clear: the free market cannot be relied upon to maximize social welfare. Free markets can be very efficient for allocating resources in certain types of markets. The promise of free-markets holds when certain conditions are met. However, free markets have proven to be poorly adapted to protecting the natural world, the basis of our collective wealth. In the context of new challenges, the concern over natural resources requires a sustainability perspective. Natural resource depletion and the loss of biodiversity are critical issues for long-run sustainability. The issue of scarcity should become a counterpiece of economic analysis. Well-being theory is an area of economic theory based on the assumption that economic development must proceed from a population criterion collective good.

The concept of well-being implies a standard of living, both at normal individual and society as a whole. Ensuring a fair standard of living presumes a standard of living compatible with human dignity, which is measured by the goods and services that people have and the conditions under which people live. Well-being is an essential component of the human condition, it reflects a system needs correlated with socio-economic context in which everyone fits in terms of ownership, level of consumption, material and financial status, social and cultural hierarchy. Thus, the welfare state appears as an aspiring individual optimum by his way of producing, saving and consuming.

The main problem is to emphasize the well-being of a number of situations which would be the best possible social solution. In a broader sense well-being depends mostly on the level of utility (satisfaction) obtained by each of its members.

Well-being is generally viewed as a description of the state of people’s life situation (McGillivray...
2007, p. 3). Often, well-being has been linked with the economic results of a country, measured by its Gross Domestic Product (GDP). However, GDP does not offer a good image of human life (it does not cover all the aspects of human life) and it was widely recognized that new measures were needed. New indicators and datasets were created to capture social and environmental aspects that GDP failed to incorporate. This included indicators measuring education achievements, health outcomes and environmental degradation. More recently, well-being research incorporates findings from psychology and behavioral sciences.

2. Objective and subjective well-being

In general, well-being measures can be classified into two broad categories: objective and subjective measures. The first category measures well-being through certain observable facts such as economic, social and environmental statistics. People’s well-being is assessed indirectly using cardinal measures. On the other hand, subjective measures of well-being capture people’s feelings or real experience in a direct way, assessing well-being through ordinal measures (McGillivray and Clarke 2006; van Hoorn 2007).

However, there is widespread agreement that well-being is multidimensional, that it counts all aspects of human life. Thus, different approaches have been taken to go beyond the GDP measure, conceptualizing well-being in a more holistic way.

Yet a third approach to go beyond GDP is to replace GDP by constructing composite measures that would capture the multidimensional aspect of well-being. These measures are usually constructed using different components, weighted in some way to form a single index. One of the first attempts to construct a composite index of well-being was in 1979 when David Morris from the Overseas Development Council created the Physical Quality of Life Index (PQLI). This index combined infant mortality, life expectancy and adult literacy (McGillivray 2007; Stanton 2007; Sumner 2006).

Building on the earlier work of William Nordhaus and James Tobin, Daly and Cobb’s Index of Sustainable Economic Welfare (ISEW) presents a monetary measure of social welfare that accounts for: the consumption of private goods and services bought and sold on markets; the social costs of inequality; the value of non-market production (household work, family care, and volunteer work); environmental degradation; “defensive expenditures” (i.e., the cost of protecting oneself from environmental harms); net capital investment; and natural resource depletion.

Focusing on U.S. data, Daly and Cobb found that trends in the ISEW closely paralleled changes in GDP per capita in the 1950s and 1960s. In later years, however, the relationship between income and welfare became de-coupled. While GDP per capita grew at a rate of 2.2 percent per year between 1970 and 2000, an updated version of the ISEW remained virtually unchanged.

Another example is the Human Development Index (HDI) created in 1990, combining income per capita (in PPP terms), life expectancy at birth, adult literacy and education enrollment ratios. The economic analysts of the 1980s had to face increasingly critical for human development approach was not explicitly linked to economic growth. Increase revenues and expenditures are not only results of development. It was recognized that a single dimension such as Gross Domestic Product is only an indicator of growth, expressed in monetary units and not a measure of human development which is multidimensional. Investments in health and education can not be added directly to GNP, but can add value to human capital and thus to contribute to the economy and social welfare.

Mahbub Ul Haq (1934-1998), Pakistani economist with Indian economist Amartya Sen (1933 -), Nobel Prize laureate in 1998, played a key role in formulating development paradigm. They wanted to bring people into the center of the public agenda on development policy at national and global level, and the first Human Development Report was opened with the premise that: "People are the real wealth of a nation."
United Nations Development Programme (UNDP) published since 1990 “Human Development Report”. The report addresses the main problem, how to translate economic growth into human development. The main contribution of this report is to calculate a year index, Human Development Index for 130 countries. Initially, subsequently reached 182 countries. HDI is a composite index that includes education, health, and living standards and it is the first serious attempt to assess the development that goes beyond the income dimension. In determining the HDI, four indicators for three areas are used. These are areas and indicators for human development and quality of life of the population:

a. GDP, the new value created by the production of goods and services in the country, to express welfare (economic standard)
b. life expectancy at birth
c. the literacy rate of the population aged over 15 years and rates of school children and youth, the three educational levels: primary, secondary, university education.

Each index field is determined by year based on the values of those indicators and by referring them to the maximum and minimum recorded worldwide.

Let's look more closely, however, it has evolved over time in Romanian HDI after recalculations in 2011. We identify four periods, namely: 1990-1995 - HDI decreased from 0.700 to 0.687, with deteriorating rate school enrollment and GDP, 1996-2000 - recover lost value of HDI and reach 0.704; 2000-2008 there is a significant increase HDI (0.778 in 2008) 2009-2011 - stagnation HDI value.

Similarly, the Organization for Economic Cooperation and Development developed the Better Life Index—a composite of 11 broad topics that include housing, income, and jobs as well as quality of life (community, education, environment, governance, health, life satisfaction, safety, and work-life balance). The Index already covers the 34 OECD member countries with plans to expand to its partner countries including China, India, Indonesia, Russia, and South Africa.

Some countries make strides in development of their own national indexes to measure well-being. The UK is developing an index that measures both economic performance of the country and environmental and sustainability issues. Similarly, Canada has adopted the Genuine Progress Indicator, which starts with GDP but adjusts with other non-economic variables. In 2005, the tiny Himalayan nation of Bhutan developed the Gross National Happiness index, which takes into account health, culture, education, ecology, good governance, community vitality, and living standards—a broad way of assessing progress beyond pure GDP growth.
The New Economics Foundation (Marks et al., 2006) created the Happy Planet Index (HPI) to answer such questions as, “does happiness have to cost the earth?” In other words, can we live long and happy lives within the resource capacity of the planet? The first HPI incorporated national life satisfaction and life expectancy scores along with the Ecological Footprint of nations. Countries with high life satisfaction and life expectancy while maintaining a low Ecological Footprint were ranked at the top. The second HPI (Abdallah et al., 2009) determined that Costa Rica had the highest number of happy life years, nearly achieving a footprint referred to as “one-planet living,” that is, using the country’s fair share of the earth’s resources as opposed to consuming resources as if there is access to more than one planet. By the third HPI, Costa Rica remained at the top of the charts, while the USA’s high Ecological Footprint brought it to 105 out of 151 countries. Importantly, the HPI illuminated that if every country had a similar Ecological Footprint to the USA, it would require four planets to meet this level of consumption. Romania achieves a Happy Planet Index Score of 42.2 and ranks #75 of all the countries analyzed. Romania's HPI score reflects a relatively high life expectancy, relatively low levels of experienced well-being, and a moderately high ecological footprint.

In another report made by UNICEF, Romania occupies the last place in a ranking of child well-being in developed countries. For this study several social issues have been considered, including material comfort, health and safety of children. The report examines changes in the condition of children in the decade 2000-2010 in a total of 29 states, based on the average marks obtained in five dimensions of child well-being, taking into account 26 internationally comparable indicators. The Netherlands ranks first in this ranking, the only country that ranks in the top five in all dimensions considered: material well-being, health and safety, education, behavior and risks, housing and the environment. However, UNICEF report shows that there is a direct link between the well-being of children and GDP per capita. The Czech Republic has achieved a better result than Austria, Slovenia is better ranked than Canada and Portugal has a better result than that of the United States of America. After the Netherlands, four Nordic countries (Finland, Iceland, Norway and Sweden) occupy the top spots in the rankings well-being of children, while the last four places are occupied by three of the poorest countries considered in this top - Latvia, Lithuania and Romania, and one of the richest, USA. The same report also shows how children perceive life satisfaction in the countries studied. Over 85% of children in the developed nations have a high level of overall life satisfaction; even in the countries at the bottom of the league, more than 75% of children placed themselves above the mid-point of the life satisfaction ladder. The Netherlands heads the league table of children’s subjective well-being with 95% of its children reporting a high level of life satisfaction. In the top five countries – Finland, Greece, Iceland, the Netherlands and Spain – approximately 90% of children reported a high level of life satisfaction in 2009/2010. Only in Poland and Romania does the ‘high life satisfaction’ rate fall below 80%. From the earliest years, the child’s sense of subjective well-being is intimately bound up with relationships, and particularly with parents and peers.

2.1. **Subjective well-being: conceptual delimitation**

Happiness was present in philosophical debates since the Greek classicism period. Of great influence was the dispute between the two concepts: Hedone and eudaimonia (Ryan and So, 2001). The first concept related happiness as pleasure - not only the senses, but also from Epicurus, mind (hedonistic moral theory). In the Nicomachean Ethics, Aristotle criticizes this view, claiming instead eudaimonia, that is living in agreement with the "true self" (daimon), opening path of ethical philosophies that happiness consists in the realization of human potential (Waterman, 1993). In psychology, these two orientations meet a strong revival in recent years, with recent branches of hedonic psychology, which includes the study of pleasant and unpleasant experiences, and general levels of existence different from states of consciousness (Kahneman et al. 1999), and of positive psychology, "the science of positive subjective experience, traits
positive individual, and positive institutions "designed to" improve the quality of life and prevent the pathologies that arise when life is barren and meaningless " (Seligman and Csikszentmihalyi, 2000). Seligman (2007), positive psychology founder in the late 90's gathered around him a number of experts, who have joined forces in the study of happiness, including Sonja Lyubomirsky, Ken Sheldon and David Schkade. They offer us a "formula for happiness" (Seligman, 2007, p 77): $F = T + C + V$. In this formula $F$ represents the degree of lasting happiness, $T$ – range of genetic trends, $C$ - life circumstances and $V$ - factors that are under our control.

The author points out that we must distinguish between the happiness of the moment and lasting happiness. Regarding the concept: range of genetic trends, it is introduced into the equation stating that we inherit a sort of "guide" who guides us to a certain level of happiness or sadness, each of us has a predetermined range of genetic tendencies, a fixed level of happiness, inherited from the back. Life circumstances can change for the better state of happiness, but it is difficult and expensive to change. In his book, Theory of Happiness, Jonathan Haidt (2008, p 128), take the positivists formula small changes: $F = PF + C + V$. The happiness you feel, says the author, is the sum which consists of the fixed point biological, plus living and voluntary activities.

McGillivray and Clarke (2006, p. 4) state that "subjective well-being involves a multidimensional evaluation of life, including cognitive judgments of life satisfaction and affective evaluations of emotions and moods." Some economists use the phrase “subjective well-being” as a synonym for “happiness” but in psychology, happiness is a narrower concept than sustainable well-being (SWB).

Bruni and Porta (2007, p. xviii) discuss about differences between happiness and SWB. They point out that “Psychologists distinguish among 1) life satisfaction which is a cognitive element; 2) affection, the affective element and 3) subjective well-being (SWB), as a state of well-being, synthetic of long duration which includes both the affective and cognitive component.” Other explanations which they provide: SWB consists of four components i) pleasant emotions ii) unpleasant emotions iii) global life judgment (life evaluation) and iv) domain satisfaction (marriage, health, leisure etc). Happiness on the other hand, is a narrower concept than SWB and different from life satisfaction: although both happiness and life satisfaction are components of SWB, life satisfaction reflects individuals’ perceived distance from their aspirations while happiness results from a balance between positive and negative affect. In this approach, SWB is a synonym of “being happy” (the Aristotelian approach of happiness as eudaimonia) whereas concepts such as “satisfaction” and “happiness” are considered “feeling happy” (a hedonic approach) (Bruni and Porta 2007, p. xviii).

Despite these differences, economists have used the terms “happiness” and “life satisfaction” interchangeably as measures of subjective well-being (Easterlin 2004). According to them, subjective well-being has a dual character: an affective component referred to as pleasure or happiness and a cognitive component referred to as satisfaction.

In particular, a distinction is commonly made between life evaluations, which involves a cognitive evaluation of the respondent’s life as a whole (or aspects of it), and measures of affect, which capture the feelings experienced by the respondent at a particular point in time (Kahneman et al., 1999). In addition to the distinction between evaluation and affect, a number of researchers argue that there is also a clear eudaimonic aspect of subjective well-being, reflecting people’s sense of purpose and engagement (Huppert et al., 2009). So, the elements of subjective well-being are:

- Life evaluation.
- Affect
- Eudaimonia (psychological “flourishing”).
Life evaluation

The most commonly used measures of life evaluation refer to “life as a whole”. However, in addition to global judgements of life as a whole, it is also possible for people to provide evaluations of particular aspects of their lives such as their health or their job. In fact, there is good evidence that a strong relationship exists between overall life evaluations and evaluations of particular aspects of life. One of the most well documented measures of life evaluation – the Personal Well-being Index – consists of eight questions, covering satisfactions with eight different aspects of life, which are summed up using equal weights to calculate an overall index (International Wellbeing Group, 2006).

Similarly, Van Praag, Frijters and Ferrer-i-Carbonell (2003) use panel data from the German Socio-Economic Panel to estimate overall life satisfaction as a function of satisfaction with six specific life domains (job satisfaction, financial satisfaction, house satisfaction, health satisfaction, leisure satisfaction and environmental satisfaction), while controlling for the effect of individual personality.

The discussion behind the income–happiness relation is, to a large extent, driven by the so-called ‘Easterlin Paradox’ (Easterlin, 1974, 1995), which lies in the fact that within a country, at a given time, those with higher incomes are, on average, happier, while over time and in the long run, despite increases in income in developed countries, the average level of happiness has not increased significantly. E. Mentzakis, M. Moro (2009) have found the poor are more likely to be unhappy while the rich are more likely to be fairly happy. Absolute income buys-off unhappiness, but it does not seem to buy all levels of happiness. This can be explained by looking at relative income effects, through the inclusion of individuals’ subjective financial situation which captures one’s relative income position and clearly confirms the findings of the past literature. Another explanation of ‘Easterlin Paradox’, relates to the concept of time-shift effects, where high-income individuals tend to engage in less satisfactory activities. They are more likely to have jobs of high responsibility and to allocate their time to activities that are on average associated with more stress and tension, e.g. commuting, or less likely to spend their time in socializing, which is among the most rewarding activities in terms of happiness. Conversely, low-income groups might not have any difficulty in accessing these goods, explaining why a portion of the low-income group is likely to report the highest level of SWB.

Affect

Affect is the term psychologists use to describe a person’s feelings. Measures of affect can be thought of as measures of particular feelings or emotional states, and they are typically measured with reference to a particular point in time. Such measures capture how people experience life rather than how they remember it (Kahneman and Krueger, 2006).

Eudaimonia

In addition to life evaluations and affect, which focus on a person’s experiences (current or recalled), some definitions of subjective well-being found in the psychological literature include other aspects of a person’s psychological processes as well. In particular, there is a substantial literature focused on the concept of good psychological functioning, sometimes also referred to as “flourishing” or “eudaimonic” well-being (Huppert et al., 2009; Clark and Senik, 2011; Deci and Ryan, 2006). Eudaimonic well-being goes beyond the respondent’s reflective evaluation and emotional states to focus on functioning and the realization of the person’s potential. In developing the questionnaire on psychological well-being for the European Social Survey, for example, Huppert et al. (2009) characterize the “functioning” element of well-being as comprising autonomy, competence, interest in learning, goal orientation, sense of purpose, resilience, social engagement, caring and altruism.

3. Sustainable happiness

Sustainable happiness underscores the inter-relationships between happiness, well-being and sustainability. It has been defined as “happiness that contributes to individual, community, and/or global well-being without exploiting other people, the environment, or future generations” (O’Brien, 2010a) thus
differentiating it from “sustaining happiness” or “sustainable increases in happiness” (O’Brien, 2012).

Discussions of happiness and well-being are an ideal entry point for fostering sustainable lifestyles and policies for sustainable happiness and well-being. Happiness is at the heart of who we are and what we do, but in a consumer society where consumption and happiness are often entangled, individuals confuse the “path to the ‘good life’ as the ‘goods life’” (Kasser, 2006: p. 200). The lifestyles and consumption in the wealthiest nations are leading to environmental degradation that has the greatest impact on less affluent countries (Sachs, 2012). The HPI indicates that many of the wealthiest countries are exerting extensive pressure on natural resources and consuming more than their fair share of resources (Abdallah et al., 2009, 2012).

Thinley (2012) underscored the need for considering the links between sustainability and happiness: “Sustainability is the essential basis and precondition of such a sane economic system. An economy exists not for mere survival but to provide the enabling conditions for human happiness and the well-being of all life forms” (p. 64). There is a major role for positive psychology to play in building further political will and bringing sustainability principles into everyday life. The concept of sustainable happiness within the field of positive psychology can be applied to foster sustainable behavior in addition to well-being in the broadest meaning of well-being, i.e. physical, emotional, social, spiritual, ecological well-being. Whereas we all have a natural desire for happiness, we are likely to lead more sustainable lives by becoming more aware that our well-being and pursuit of happiness is associated with the well-being of others and the natural environment (O’Brien, 2010a). Sustainable happiness disputes a common misconception that living sustainably will lower our quality of life. Rather, sustainable happiness invites opportunities to enhance our quality of life and contribute to individual, community, and global well-being (O’Brien, 2010a).

Education for the 21st century can promote positive education and positive schools by applying positive psychology in teacher education and contributing to curricula development. Students and society would benefit from greater attention to student wellness, illness prevention, and happiness skills for enhanced resilience (Seligman, 2011). This would be a progressive step forward but still grossly insufficient to foster the massive shift in values and behavior that are required to make a transition towards a more sustainable future—which ultimately impacts everyone’s well-being. Integrating positive psychology with sustainability education would introduce a comprehensive transformation in education, engaging students and teachers in a deep understanding of how to live and work, respecting their own well-being and the well-being of other people, other species, the natural environment, and future generations. It would assist students and educators to recognize that our well-being is interdependent and that our daily activities can contribute to, or detract from well-being. It would also permit students and educators to make informed decisions about policies that impact well-being (O’Brien, 2012).

4. Conclusions

In sum, children – like adults – are likely to adapt their sense of life satisfaction both to their own realities and to the examples and norms set by the societies in which they live. There is a need for changes in attitudes, policies, practice and behavior. Specifically, opportunities for integrating positive psychology with sustainability education are discussed including work in the area of sustainable happiness, Education for Sustainable Development (ESD) and positive education. Sustainable happiness underscores the interrelationship between human flourishing and ecological resilience. Thus sustainable happiness and well-being are integral to building sustainable futures, and positive psychology could be increasingly influential in leading research and education that heralds a new era of understanding and political will to embrace sustainability.
5. References


