OECD work on Subjective Well-being

Asia Pacific Conference on Measuring Well-Being and Fostering the Progress of Societies

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Overview

- **Why is the OECD interested in subjective well-being?**

- **What do we know about subjective well-being and quality of existing measures**
  - Validity and reliability
  - Response burden
  - Challenges

- **OECD work to develop <u>guidelines</u> on its measurement**

Motivation and background

Motivation: Sen/Stiglitz/Fitoussi Recommendation 1

Background:

- ➢ Initiatives currently underway
    - Europe: EU-SILC well-being module 2013 (evaluations and affect)
    - United Kingdom: Project on Measuring National Well-being (ONS)
    - France: Life-evaluation and affect questions in French EU-SILC and Time Use Survey 2009-10 (INSEE)
    - Italy: Life satisfaction measures in multi-purpose survey (Istat)
- ➢ Existing measures
    - *Canadian General Social Survey* (1985 – present)
    - *New Zealand General Social Survey* (2008 – present)
    - 'Measuring Australia's Progress' (special feature in 2009; ongoing consultation)
    - Other ad-hoc or one-off initiatives (e.g. DRM module on affect in ATUS)

Life-satisfaction: what do we know?

➢ Subjective well-being is **multi-dimensional**

➢ Much **evidence on the quality of subjective well-being measures**: **adequate** in some respects (validity, response burden) ..

➢ .. but **still significant challenges** in others

SWB is multi-dimensional

> **Life satisfaction** (remembered cognitive evaluation of life as a whole and its dimensions)

> **Affect** (experienced feelings)
> - Positive affect (happiness, joy, contentment)
> - Negative affect (sadness, anger, worry)

> **Eudemonic well-being**
> - positive functioning: meaning, competence, autonomy

SWB is multi-dimensional

Weak correlation among the different dimensions of subjective well-being across individuals

Correlation Coefficients for Purpose, Life Satisfaction, Positive Affect, and Negative Affect, 362,000 individuals across (37 countries overall)
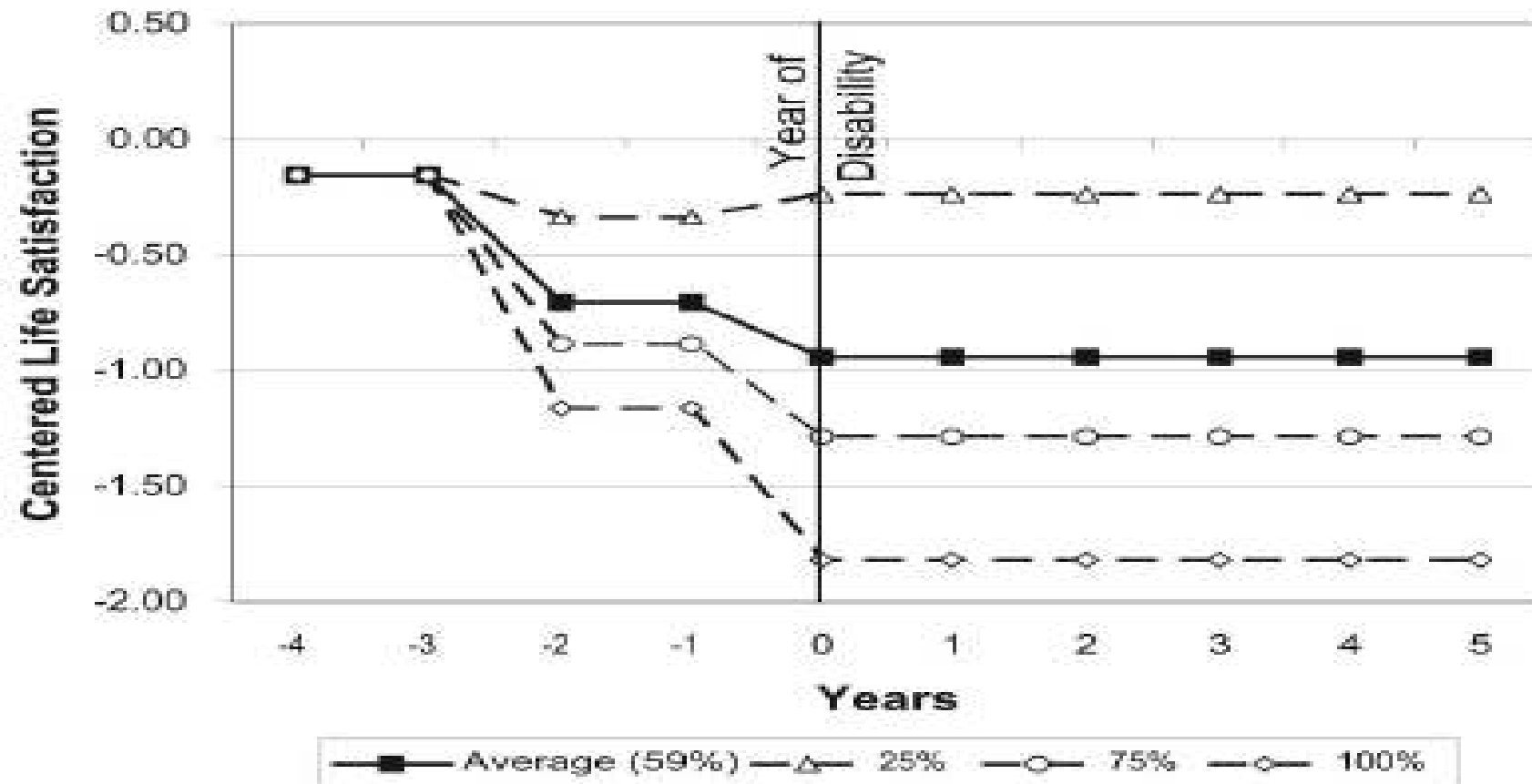
	Purpose	Life Satisfaction	Positive Affect	Negative Affect
Purpose	1.000			
Life Satisfaction	0.134	1.000		
Positive Affect	0.142	0.229	1.000	
Negative Affect	-0.091	-0.231	-0.3855	1.000

Sources: Gallup World Poll, 2006-2010
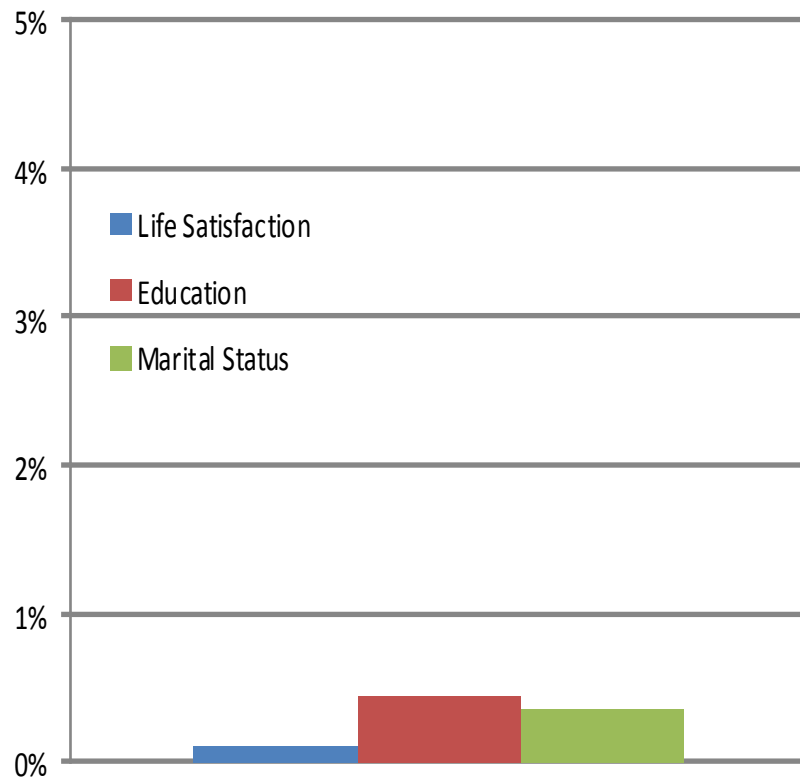
Construct validity

Figure 1. Predicted changes in centered life satisfaction before and after onset of disability in the German Socio-Economic Panel Study sample. Different lines reflect varying amounts of disability.
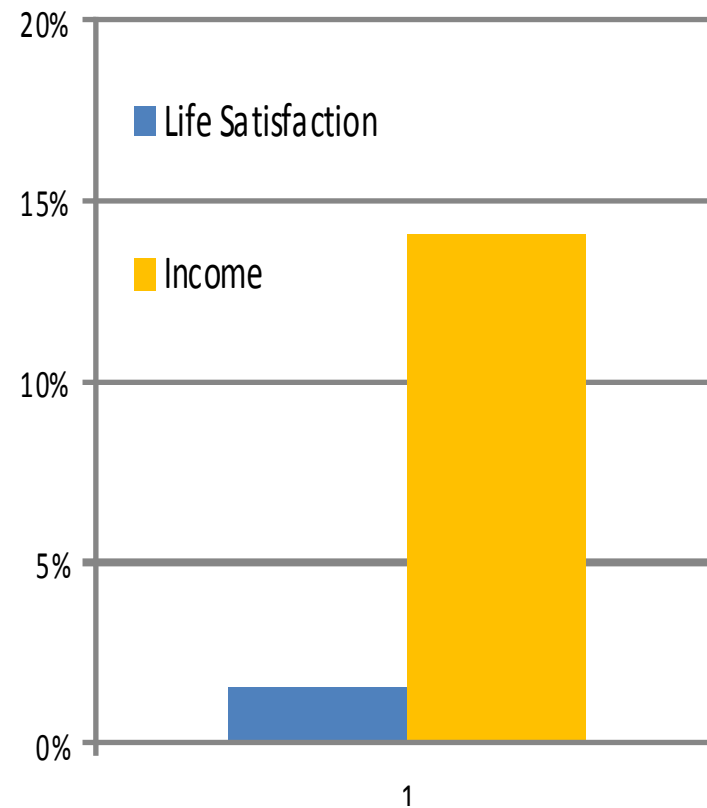
Statistical quality: response burden

Life evaluations: total rate of refusal to answer

Gallup World Poll, waves 1-5

World values Survey, 1998-2001
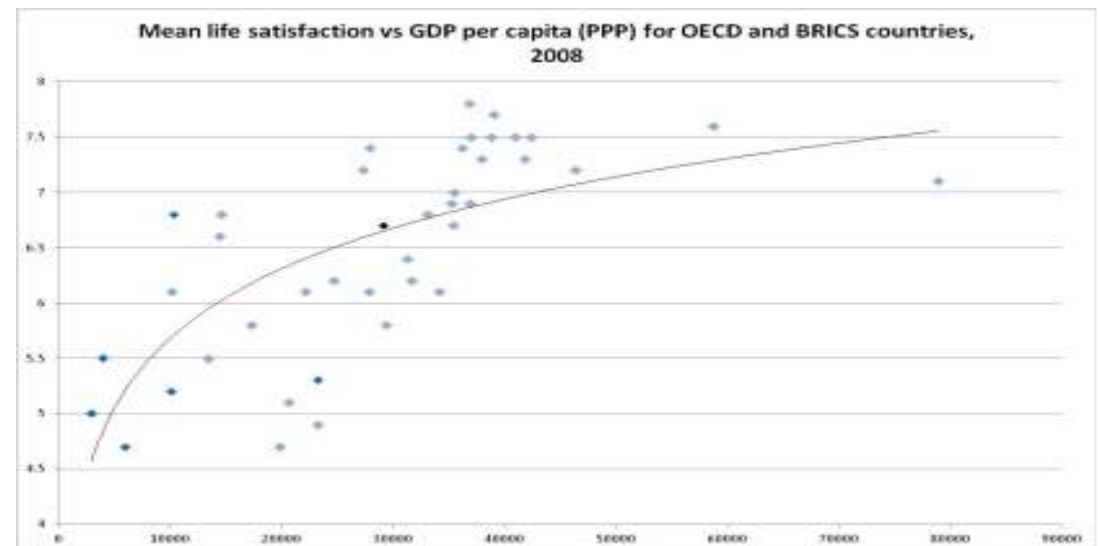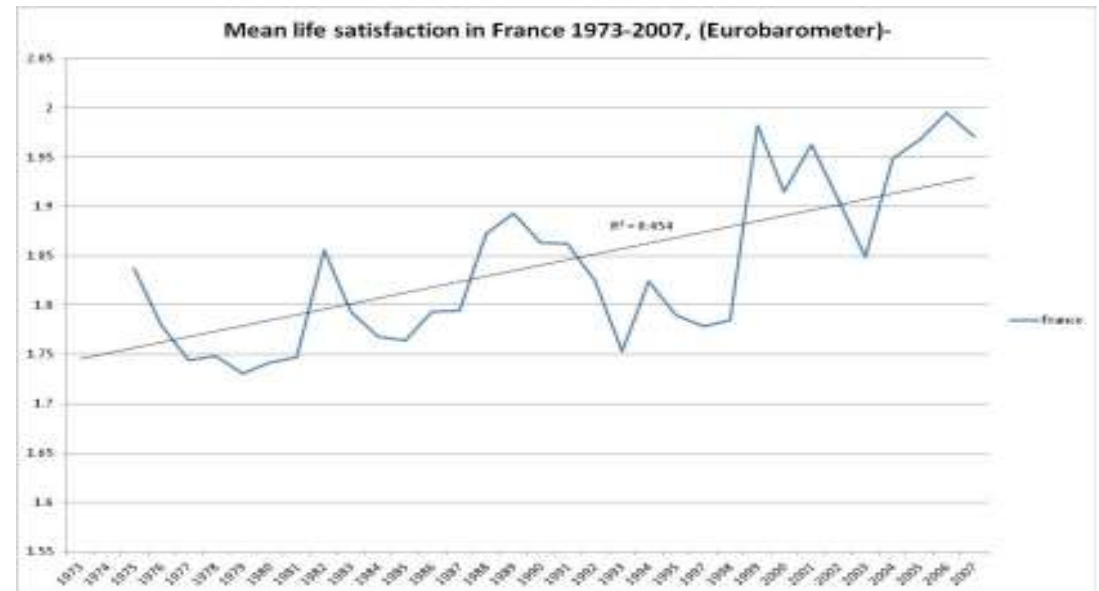
Statistical quality: challenges

If some of the stylised fact for quality of live evaluation questions are well established… however, several **methodological challenges** exist

> ➢ **Signal-to-noise ratio**
> ➢ **Dimension of SWB considered**
> ➢ **Question wording**

Statistical challenges: signal-to-noise

Available measures largely
derived from **non-official
sources: implications** :

• Time-series: (Eurobarometer).
Trend in LE in France upward and
significant, but hard to detect and
measured with errors

• Cross-country: (Gallup World Poll).
Log-linear relationship between GDP
and LE means that even big rises in
income yield very small changes in LE
for developed countries

Mean life satisfaction in France 1973-2007, (Eurobarometer)-

Mean life satisfaction vs GDP per capita (PPP) for OECD and BRICS countries, 2008

Statistical quality: choice of dimension matters

➢ Limited data has led researchers to work with whatever has been available, i.e. evaluations and affects **often used interchangeably in investigations**

➢ Measures of affect are affected by changes in circumstances in different ways than LS: **choice of which SWB dimension is used has strong effect on conclusions**

➢ Using only measures for one dimension implies that results can be dominated by **response styles** (e.g. a cultural predisposition or aversion to making extreme responses)

➢ Solution: it is important that **quality information on both affect and life evaluation** is available

Statistical quality: which survey questions?

- Despite an increasing body of knowledge about how best to measure subjective well-being, **different bodies use widely different questions**

?LSR_Q100 Using a scale of 1 to 10 where 1 means "Very dissatisfied" and 10 means "Very satisfied", how do you feel about your life as a whole? Using this card on

1 Very dissatisfied

V22. All things considered, how satisfied are you with your life as a whole these days? Using this card on which 1 means you are "completely dissatisfied" and 10 means you are "completely satisfied". where would you put your satisfaction with your life as a whole? (Code one number).

Completely satisfied
Completely dissatisfied

1 2 3 4 5 6 7 8 9 10

a whole

VERY SATISFIED, VERY SATISFIED, OR NOT AT WITH THE LIFE YOU LEAD?

9 Look... meter)
10 right now.
11

11. very satisfied
12. satisfied
13. no feeling either way
14. dissatisfied
15. very dissatisfied
88. don't know
99. refused

go to ...
go to ...

12

Statistical quality: consistency

Consistency in measurement matters because:

➤ Different question wording produces different results

- Asking about "happiness" with life as a whole as opposed to "satisfaction" with life as a whole captures quite different concepts (Kahneman et al 2010)
- The simple act of labelling only the polar values of a scale as opposed to labelling each point on it decreases mean life satisfaction by 0.1 on a 7 point scale. (Pudney 2010)

➤ The ability to make comparisons is of fundamental interest to policy makers, and this for both comparisons:

- Between population groups
- Between countries

Over time

The OECD Guidelines on SWB

Project objective:

➤ *To prepare a set of guidelines on the collection and use of measures of subjective well-being*

The project aims to :

- Provide **guidance** rather than a formal standard
- Support the **development** of better measures rather than define a final set of measures
- **Work closely** with ongoing initiatives

The OECD Guidelines on SWB

The guidelines will cover:

- Conceptual issues
  - What do we mean by subjective well-being?
  - Why measure subjective well-being?
- Technical issues for measurement
  - Reliability, e.g. how to manage order and contextual effects
  - To what extent can subjective measures be made comparable ?
  - Managing respondent burden
- Propose a standard set of prototype questions
  - A small set of core questions to form the basis of standard comparisons
  - A more extensive set of questions to support more detailed analysis

OCED Guidelines

The guidelines will also cover:

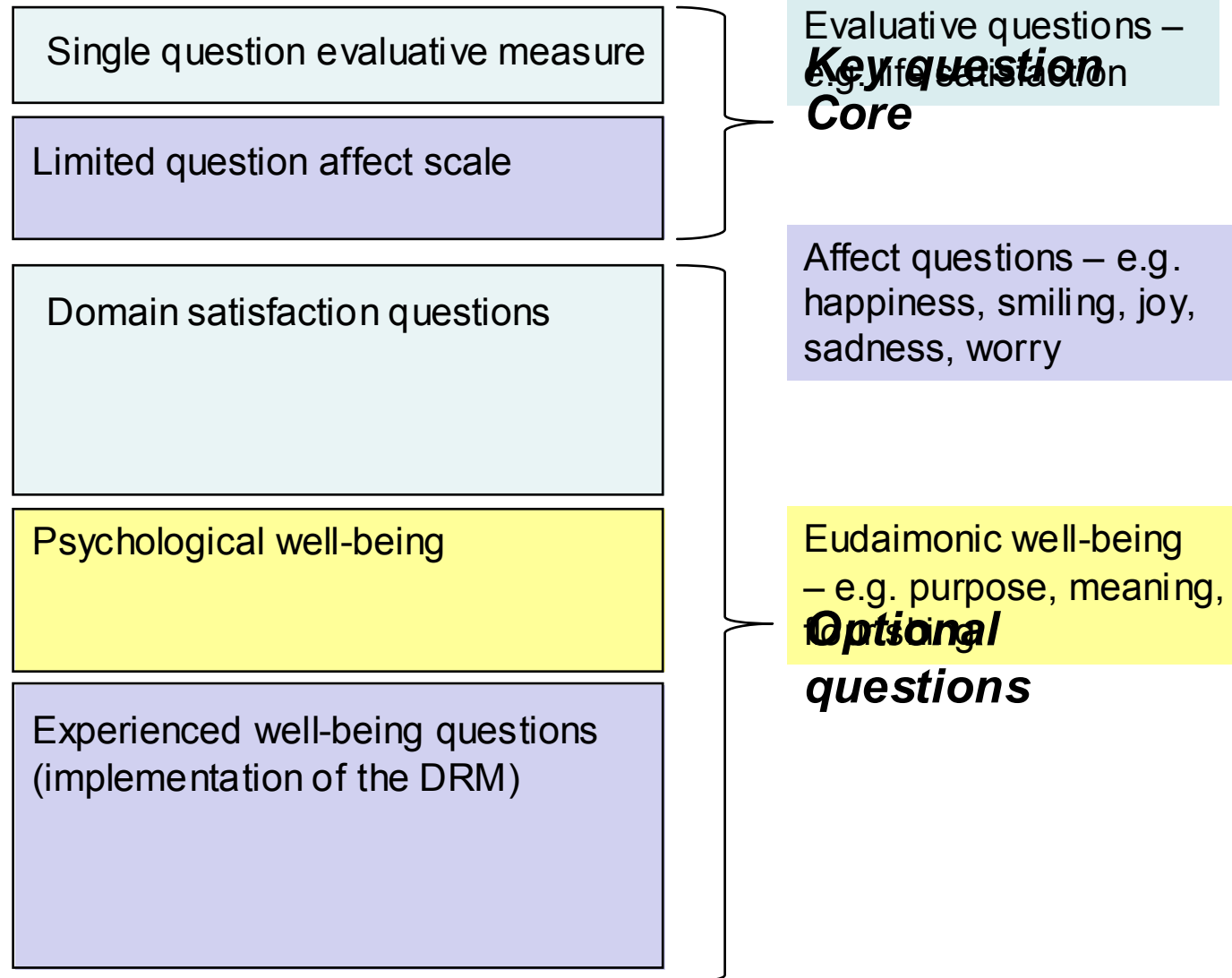- Survey issues
  - Which survey vehicles are most appropriate?
  - Where should questions be placed in a survey?
  - What analytical variables should be collected at the same time?
  - What is the most appropriate frequency of data collection?

- Output and dissemination of subjective well-being measures
  - How should we report subjective results?
  - Uses of subjective measures of well-being

OECD Guidelines

Module Structure

Single question evaluative measure	Evaluative questions – e.g. life satisfaction **Key question** **Core**
Limited question affect scale	
Domain satisfaction questions	Affect questions – e.g. happiness, smiling, joy, sadness, worry
Psychological well-being	Eudaimonic well-being – e.g. purpose, meaning, functioning **Optional questions**
Experienced well-being questions (implementation of the DRM)	

OECD Guidelines

Although the Guidelines are still under development, some key features of best practice are already known:

➢ Life evaluation

- Single question measure of life satisfaction
- As close to the start of the survey as possible (ideally immediately after screening demographic questions)
- A 11 point scale work better than shorter scales (Kroh, 2006)

➢ Affect

- A small group of 3-5 questions for general surveys (1-2 positive, 2-3 negative)
- Framed around "yesterday" rather than longer time frames
- Best placed in surveys with a year long collection period
- Also investigating how best to include affect measures in Time Use Surveys (American Time Use Survey, French *Enquête Emploi du Temps*)

➢ Eudemonic well-being

- Best practice is less clear

OCED Guidelines

➤ *The following questions ask how satisfied you feel, on a scale from 0 to 10. Zero means you feel "completely dissatisfied" and 10 means "completely satisfied*

A1. Overall, how satisfied are you with life as a whole these days?   [0-10]

• *The following questions ask about how you felt yesterday on a scale from 0 to 10. Zero means you did not experience the emotion "at all" yesterday while 10 means you felt "completely happy/contented/angry/sad" yesterday.*

B1. Overall, how <u>happy</u> did you feel yesterday?   [0-10]

B2. Overall, how <u>contented</u> did you feel yesterday?   [0-10]

B3. Overall, how <u>angry</u> did you feel yesterday?   [0-10]

B4. Overall, how <u>sad</u> did you feel yesterday?   [0-10]

OECD Guidelines

Expected outcomes

- ➢**increase the number of countries** for which official measures of subjective well-being are produced
- ➢**improve international comparability** of SWB measures by establishing common standards used by national statistical agencies
- ➢**Improve quality** of measures collected by setting out best practice in question design
- ➢**Improve usefulness** of data collected by setting out guidelines on the appropriate frequency, survey vehicles, and covariates when collecting subjective well-being data.

Conclusion

Thomas Kuhn, *The Structure of Scientific Revolutions*

  ➢ periods of continuity in science are interrupted by discontinuities
  ➢ during revolutions, anomalies/paradoxes lead to a new paradigm that changes the rules of the game and the map of research

Something similar is at work today in social sciences with respect to notions of 'progress' and 'well-being'

  ➢ from uni-dimensional to multi-dimensional metrics: economic production is not the only thing that matter
  ➢ different dimensions of well-being ; linked but also rel. independence

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