

Livability/Objective Quality of Life (QOL) and Happiness/Subjective Wellbeing (SWB): Livable, But Unhappy Cities

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ABSTRACT:

This article discusses objective Quality Of Life (QOL) and Subjective Wellbeing (SWB), focusing on their overlap, differences, and relationship. The spatial focus is on urban-rural gradient (cities score high on livability/QOL, but low on SWB). The conceptual focus is on public policy and administration: how objective and subjective measures can be used for public policy and administration. A regular social indicators case for ending the primacy of economic indicators is repeated, but from a fresh Marxist perspective.

KEYWORDS: QUALITY OF LIFE (QOL), LIVABILITY, SUBJECTIVE WELLBEING (SWB), HAPPINESS, LIFE SATISFACTION, UTILITY, POLICY, CITIES, URBANISM, MARX, FREUD JEL CODES: I31 - GENERAL

WELFARE; BASIC NEEDS; LIVING STANDARDS; QUALITY OF LIFE; HAPPINESS

If you cannot measure it, you cannot improve it [...] To measure is to know—Lord Kelvin

1 Introduction

Measurement is essential for progress—many would say something along the lines that if you cannot measure it, you cannot improve it. Notably lord Kelvin put it exactly this way.

Then the question is how we measure human progress? Traditionally, and unfortunately, the human progress has been and continues to be measured with money, either production or consumption. Welfare, wellbeing, quality of life, and similar concepts are typically measured with money—salaries, housing values, and so on. But the most popular such measure at societal level is Gross Domestic Product (GDP), and its variations—per capita, and Purchasing Power Parity (PPP). GDP still dominates policy and administration

as if an increase in GDP solves most problems. But scholars increasingly realize the limitations of monetary measures of human progress such as GDP measure (see Stiglitz et al. (2009) for a comprehensive review of the inadequacies of the GDP measure). Considering the rising concerns about the inadequacy of such monetary measures, there has been a significant effort to come up with other measures that would complement monetary measures in the pursuit of the goal of assessing human progress.

A notable departure from purely monetary measures of human progress is Human Development Index (HDI), in which education and life expectancy are added to GDP. More recently, a co-inventor of HDI, Amartya Sen has proposed subjective wellbeing (SWB) as a measure of human progress (Stiglitz et al. 2009).

In fact, the interest in subjective wellbeing has been rising in the past few decades in many social science disciplines (Ferrer-i-Carbonell and Frijters 2004). The same could be said about the quality-of-life (QOL) concept (Okulicz-Kozaryn and Valente 2019). Much of the literature on SWB and QOL is mainly concerned with exploring the different factors that affect SWB or QOL. One important factor is urbanization.

The world has been witnessing rapid increase in urbanization in the past two centuries since the industrial revolution. According to the United Nations estimates, one-third of the world population lived in cities in the year 1950 compared to only 10% in the year 1850; and it is expected that two-thirds of the world population will be residing in cities in 2050 (Gaigbe-Togbe et al. 2022).

The sheer numbers are stunning, over just several generations several billions of humans suddenly live in cities. It's a dramatic change of the human habitat—humans evolved as hunter-gatherers over thousands of years without cities (Maryanski and Turner 1992). Mass urbanization is a very recent development, and arguably the most dramatic change of human habitat in our species history.

Given an enormous importance of both, urbanization and SWB/QOL, their intersection should be of central interest to a social scientist. A recent review of the knowledge in the area is (Okulicz-Kozaryn 2015). Also see Ruut Veenhoven's World Database of Happiness—a collection of findings in happiness field in general (Veenhoven 1995).

The main aim of this paper is to shed light on the relationship between QOL and SWB with a specific focus on life in cities. Cities are usually full of amenities that make them score high on QOL indicators, but they are also full of disamenities that make them score low on SWB indicators. The study contributes to the

literature that advocates the usage of subjective measures of well-being to complement objective measures in informing public policy and administration. The paper mainly builds on existing evidence and literature.

This article is organized as follows: first a need for departure from dollar amounts to better measures of progress or development is highlighted—this is after all what social indicators field is about—proper indicators and measurement. Then two useful such measures are discussed, QOL and SWB—the focus here is on their overlap, differences, and relationship. Finally, QOL and SWB are applied to urban-rural spatial setting—there is an urban-rural happiness gradient, where QOL typically increases along with urbanicity, but SWB decreases. The article concludes with summary and policy implications.

2 Away From Money, Towards Indicators Of Human Flourishing

Capital is dead labor, which, vampire-like, lives only by sucking living labor, and lives the more, the more labor it sucks. Karl Marx

Many economists see beyond self-interest and income-maximization, Adam Smith among them (e.g., Rauhut 2020). Yet most economists do consider self-interest and income or consumption maximization, so called “utility maximization” as an end goal. Money-orientation and utility-maximization are central to the discipline of economics. Notably economic measures such as GDP have dominated measurement of development or progress and there is clearly a need for more holistic social indicators.

Largely unnoticed, economics does dominate policy, administration, and even tries to dominate social science. Many economists actually believe they are superior to other social sciences (Economist 2016, 2014), and are ignoring non-economic research (Naim 2016, Fourcade et al. 2015) despite economics increasingly suffering from its inadequacy and detachment from the world (Economist 2013, Hodgson 1993), where even Nobel prize laureates in economics acknowledge crisis of economics and advise economists to learn from other disciplines (Altman 2016, Krugman 2012, Economist 2013). Among social sciences, economists’ bias is not only most severe, but actually qualitatively different—only economists among social scientists believe in axioms—in some important ways economics is like religion and unlike science. Indeed, there is a term for that:

“economism,” belief in the primacy of economic causes or factors (Kwak 2017), or “economic imperialism” (Zafirovski 1999).

There is a concept of utility—and it only exists in economics—no other social science uses it. Some leading economists go very far in their ultimate focus on utility, for instance: “happiness is a commodity in the utility function in the same way that owning a car and being healthy are” (Becker and Rayo 2008, p. 89). This bizarre statement comes from a leading and Nobel prize winning economist Gary Becker.

Many other economists follow the suit and either try to discount or discredit SWB and claim that it is not nearly as important as utility (money) (Benjamin et al. 2014, Benjamin and Heffetz 2012, Glaeser et al. 2016, Rayo and Becker 2007, Becker and Rayo 2008, Benjamin et al. 2015, Glaeser et al. 2014).

To most economists, utility equals income or consumption, not happiness, and accordingly economists advise people to maximize income and consumption, not happiness (Becker and Rayo 2008). Economics promotes a “homo oeconomicus,” an imaginary creature that is concerned only with money. In classical economic theory, self-interest is the key assumption, as rational people should maximize their personal outcomes (Seuntjens et al. 2015). And according to the economic theory, profit maximization, not any social responsibility, should be the only concern of businesses (Friedman 1970). Economists advanced a concept of an ideal human being, so called “homo economicus,” a perfectly rational homo sapiens who maximizes income and consumption at all times: “1) people are self-interested utility-maximizers, 2) individuals should be unimpeded in their pursuit of their own self-interest through economic transactions, and 3) virtually all human interactions are economic transactions” (Walker 1992, p. 273). Indeed, already taking economics classes may increase one’s greedy behavior (Wang and Murnighan 2011).

Economic axioms (“self-evident truths”) clearly state that the more income or consumption, the more utility (Autor 2010, Becker and Rayo 2008):

$$money = utility \tag{1}$$

The point is that the discipline of economics is actually failing to promote human flourishing (SWB), or even prevents it. Skidelsky and Skidelsky (2012, p. 12) puts it well “Perhaps the chief intellectual barrier to

realizing the good life for all is the discipline of economics.”

To be precise, it is mostly mainstream neoclassical economics, e.g., the Chicago school. To be fair, there are many economists that truly contributed to the social indicators and happiness literatures, notably Andrew Oswald (Oswald 2014, Blanchflower and Oswald 2011, Oswald and Wu 2009a,b, Blanchflower and Oswald 2004a,b, Di Tella et al. 2001, Oswald 1997) and Robert Frank (Frank 2016, 2012, 2008, 2005, 2004). A widely cited and celebrated (Stiglitz et al. 2009) is clearly a step in the right direction, and it sparked a much needed policy debate. But the point of futility of pursuit of money is really well made by Marx (Marx [1867] 2010, 1844b).

To be fair, there was a good reason for primacy of economic thinking after the Second World War in order to rebuild the devastated world. Economic institutions such as World Bank, International Monetary Fund, and World Trade Organization were established and economists took charge to run the countries to maximize GDP. Yet now, if anything, there is a need for degrowth (Kallis et al. 2012, Kallis 2011) as pursuit of GDP has devastated natural environment, and the very existence of our species is endangered (Pachauri et al. 2014). If we do nothing, we will face multiple severe, pervasive and irreversible impacts—it is an emergency. For more information see Intergovernmental Panel on Climate Change (Solomon 2023).

The relentless pursuit of money (production and consumption) must be limited to a sustainable way and level—a key reason is climate change crisis. Already 50 years ago, Easterlin has pointed out that the pursuit of money and the pursuit of happiness are about the same thing in the US (Easterlin 1973). In one study, students were asked about their feeling related to money, and “happiness” was the most frequent emotion cited (Mogilner 2010). A recent survey found that a third of people define success by their possessions (cited in Joye et al. 2020). Greed, materialism, and consumerism became accepted and even celebrated in American society. “Conspicuous exhaustion” and “busyness” are badges of courage (Gershuny 2005). Yet, pursuit of money is not pursuit of happiness, but an illusion.

Money does not buy happiness—acquiring money beyond necessity is actually counterproductive in many ways as neediness grows as one has more of it (Marx 1844a). Work itself, according to Marx, is a drudgery and toil in capitalism (Marx [1867] 2010, Lyons 2007). Wage slaves are “hired slaves instead of block slaves. You have to dread the idea of being unemployed and of being compelled to support your masters” (p. 283

Goldman et al. 2003). Money has a distortive power—Marx explained it well and is worth quoting in full (Marx 1844b):

Money, then, appears as this distorting power both against the individual and against the bonds of society, etc., which claim to be entities in themselves. It transforms fidelity into infidelity, love into hate, hate into love, virtue into vice, vice into virtue, servant into master, master into servant, idiocy into intelligence, and intelligence into idiocy. Since money, as the existing and active concept of value, confounds and confuses all things, it is the general confounding and confusing of all things—the world upside-down—the confounding and confusing of all natural and human qualities.

He who can buy bravery is brave, though he be a coward. As money is not exchanged for any one specific quality, for any one specific thing, or for any particular human essential power, but for the entire objective world of man and nature, from the standpoint of its possessor it therefore serves to exchange every quality for every other, even contradictory, quality and object: it is the fraternization of impossibilities. It makes contradictions embrace.

Assume man to be man and his relationship to the world to be a human one: then you can exchange love only for love, trust for trust, etc. If you want to enjoy art, you must be an artistically cultivated person; if you want to exercise influence over other people, you must be a person with a stimulating and encouraging effect on other people. Every one of your relations to man and to nature must be a specific expression, corresponding to the object of your will, of your real individual life.

3 Objective Quality of Life (QOL) and Subjective Wellbeing (SWB)

“What do [men] demand of life and wish to achieve in it? The answer can hardly be in doubt. They strive after happiness; they want to become happy and to remain so”—Sigmund Freud

Fortunately, there are alternatives to money as an end itself as advocated by economics and as adopted

by contemporary materialistic and consumerist culture and society. The alternatives are objective Quality of Life (QOL) and Subjective Wellbeing (SWB) indicators. McMahon (2006) paints a historical overview of the concept of human wellbeing—how it evolved over centuries and how different cultures approached it.

QOL can be also called livability, i.e., suitability for human living, habitability (Veenhoven 2000), or quality of place (Burton 2014). There are many QOL indices (see appendix), and they mostly capture material standard or level. Standard of living is a mere level of material comfort in terms of goods and services such as health care, clean water, education, telephones, clothing, computers and so forth. QOL/livability notably includes job opportunity—even as much as 90% of people move to a place for a job (Economist 2011b,a). In contemporary materialistic and consumerist world, money drives much of human thinking and behavior. People move to places for jobs and businesses move for talent (Florida 2008). Other components of QOL/livability include (Economist 2011b): cost of living, public transport and roads, safety and security, culture and nightlife.

But a better, more comprehensive QOL index should be broader and include non-material quantities such as freedom, trust, tolerance, self-expression, and so forth.

Yet most QOL/livability indices don't capture intangible qualities of a place such as vibrancy, authenticity, and distinctiveness. Many obvious characteristics make a place livable: education, health and safety, housing, getting around (commuting), but also less obvious characteristics like freedom, tolerance, trust and self-expression need to be satisfied as well (Florida 2008, p 297). Following a classic Maslow ([1954] 1987) pyramid of needs in figure 1, Florida (2008) proposed the pyramid of needs for a place in figure 2.

At low levels of economic development, economic gains or material goods matter—people need to satisfy their basic needs such as shelter or food. Hence, again, economic primacy of production and consumption did make sense after the Second World War to rebuild the devastated world. But once the basic needs are satisfied, there develop higher level needs related to lifestyle such as self-expression—see figure 3.

Figure 3 illustrates affluence paradox (Pacione 2003, Ng 1997)—the more income, economic development, or affluence, the less they matter for SWB. At higher level of development what matters is higher dimensions on Maslow's pyramid in figure 1. This is similar to diminishing marginal returns from income in SWB observed at country, region, and person levels (Okulicz-Kozaryn 2012).

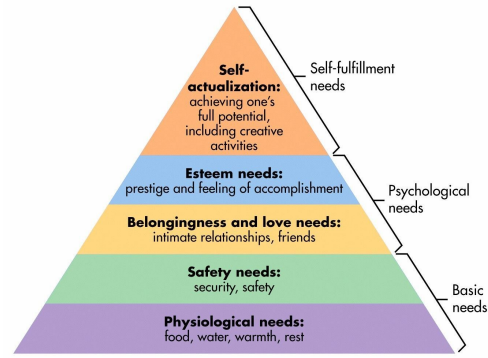


Figure 1: Maslow Pyramid, (Maslow [1954] 1987).

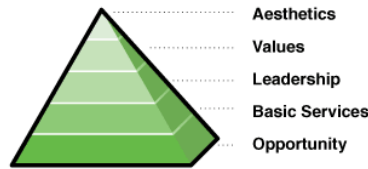


Figure 2: Place Pyramid, (Florida 2008, p 294).

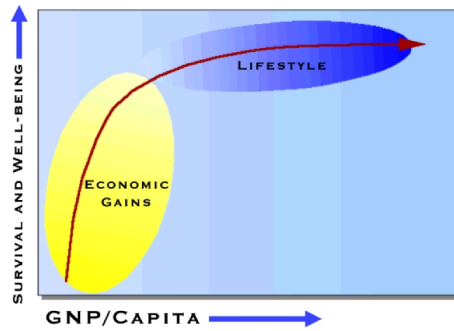


Figure 3: Well-being and income, (Inglehart 1997).

On the other hand, and more towards subjective conceptions of human progress, there is subjective wellbeing (swb). SWB is mostly cognitive overall life satisfaction, but also to some degree momentary affective happiness and negative and positive affect. SWB is subjective because we survey people about how they feel about their lives. And there are also domain satisfactions as per classic (Campbell et al. 1976): e.g., neighborhood, family, and career satisfactions.

SWB, by definition, is the most comprehensive measure possible. SWB is a person's comprehensive evaluation of her life as whole and includes "both cognitive judgments of one's life satisfaction in addition to

affective evaluations of mood and emotions” (Steel et al. 2008, p. 142). Veenhoven’s (2008, p. 2) definition of SWB is very similar, “overall judgment of life that draws on two sources of information: cognitive comparison with standards of the good life (contentment) and affective information from how one feels most of the time (hedonic level of affect).”

SWB is typically measured with a survey item such as “On the whole, are you very satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the life you lead?” and it ranges from say “1 =not at all satisfied” to “4 =very satisfied” (Veenhoven 1995). Wording may slightly differ and scales may be finer, eg 1-10, but a variation of this question and scale appears in major surveys such as World Values Survey, US General Social Survey, and Eurobarometer series. Other notable SWB measures include Cantril ladder and Diener SWLS scale (Cantril and Roll 1971, Diener et al. 1985).

The SWB measure, even though self-reported and subjective, is reliable (precision varies) and valid (Myers 2000, Di Tella and MacCulloch 2006, Diener et al. 2013). SWB correlates with similar objective measures such as brain activity (Layard 2005). SWB has discriminant validity (Sandvik et al. 1993).

For a throughthrough review see Diener (2009) (especially ch. 5) and Diener et al. (2013). Diener (2009) makes an important point that limitations of SWB are not serious enough to make it unusable for public policy—see especially ch. 6. SWB, as any measure, has limitations. SWB is influenced by culture, social norms, etc (Diener and Suh 2003). SWB is relative at least to some degree and it often bounces back to the so called set point (Lucas et al. 2006), even if one wins a lottery or loses a leg (Brickman et al. 1978). About half of SWB is genetically determined (Lykken and Tellegen 1996). But these limitations are not critical, that is, policy still does influence SWB greatly—for discussion see Diener (2009), especially ch 6.

What about the relationship between QOL and SWB? The relationship of QOL and SWB is discussed by Veenhoven (2000), Cummins (2000), Diener and Suh (1997), Schneider (2005), Pacione (2003). QOL and SWB are different perspectives on human development, with its pros and cons. They should rather be used as complements than substitutes. QOL is about what is out there, SWB is about how it affects humans. There is the world on the ground, and the world on the mind. For instance, it is not only the objective qualities of transportation, but how people are satisfied with it; not only actual objective crime, but how

people feel about it.¹

The relationship between QOL and SWB can be conceptualized in several ways. Table 1 shows Veenhoven’s four qualities of life—a 2x2 matrix of life chances and results against outer and inner qualities. Table 2 shows Michalos livability-SWB theory—a 2x2 matrix of hi-lo QOL and SWB—there can be 4 combinations of outcomes.

Table 1: Veenhoven’s four qualities of life (Veenhoven 2000).

	outer qualities	inner qualities
life chances	livability of environment [QOL]	life-ability of the person
life results	utility of life	appreciation of life [SWB]

Table 2: Michalos two variable theory: fool’s paradise and fool’s hell (Michalos 2014). Cummins’ similar classification is shown in square brackets (Sirgy 2002, p.61).

	lo QOL	hi QOL
lo SWB	real hell [deprivation, unhappy poor]	fool’s hell [dissonance, unhappy rich]
hi SWB	fool’s paradise [adaptation, happy poor]	real paradise [well-being, happy rich]

As per Veenhoven’s livability theory (Veenhoven 2014), QOL/livability contributes to satisfaction of human needs, and hence, SWB should follow (Diener et al. 1993, Veenhoven 1991, Veenhoven and Ehrhardt 1995). “Like all animals, humans have innate needs, such as for food, safety, and companionship. Gratification of needs manifests in hedonic experience” (Veenhoven 2014, p. 3645). Specifically Veenhoven’s livability theory states that QOL satisfies universal objective absolute human needs such as those on Maslow’s hierarchy of needs, and thus improves SWB (Veenhoven and Ehrhardt 1995, Veenhoven 2000, 2014). The bottom of Maslow pyramid (Maslow [1954] 1987) are basic needs: economics and survival. Top of Maslow pyramid is about psychological and self-fulfillment needs. SWB is a function of both—basic needs first, but once they are satisfied, SWB depends on higher dimensions.

SWB is subjective, a self-reported evaluation of life, but the great advantage of SWB is that it captures all experiences that are important to a person, not to the experts who construct livability indices. It is after all that QOL indices are highly subjective in at least two ways: 1) choice of metrics, and 2) their weights.

Even GDP is much less objective than one thinks—it is not carefully added comprehensive dollar amounts in

¹Not only quality of life is connected to the perceptions, feelings, and subjective values, but fundamentally (and philosophically) quality of life is perceptions and feelings (Senlier et al. 2009). For instance, it is not the objective quality of infrastructure but how people perceive it that matters (Senlier et al. 2009). Spiritually, one could say that we do not really experience the world outside of ourselves, all experience is produced within the humans <https://isha.sadhguru.org/us/en>.

the economy, but a rough estimate.

4 QOL, SWB, and Urbanicity

Here is the great city! Here thou hast nothing to seek and everything to lose—Friedrich Nietzsche

Nature is not a place to visit, it is home—Gary Snyder²

City is mostly an invention of the industrialization, only several percent of population lived in cities before 1750, and there was barely any city larger than 1m (except Rome, and a handful of others). The city that the industrialization produced was not pretty Engels ([1845] 1987).

In the developed world, the industrial city is largely gone. It either turned into urban decay as in the rust belt (Philadelphia, Baltimore, Patterson) or into unaffordable stressful commerce (NYC, San Francisco, Austin) (Zukin 2009, Okulicz-Kozaryn 2015).

Civilization has its discontents as in the title of a classic book by Freud 1930. Human civilization created great tools and engines of progress, and city was one of them (O’Sullivan 2009, Glaeser 2011b). “But lo! men have become the tools of their tools” Thoreau (1995 [1854], p. 24). Man is but a tiny insignificant cog in urban machine (Okulicz-Kozaryn and Valente 2017). Simmel put it well: “[urbanite] is reduced to a negligible quantity. He becomes a single cog as over against the vast overwhelming organization of things and forces which gradually take out of his hands everything ” (Simmel 1903, p. 337).

Notably, city is a very recent development in human evolutionary history, for tens of thousands of years humans lived as hunter-gatherers without cities in small bands without cities. Humans are more like chimps than bees or ants (Haidt 2012) and yet currently more than half of the species (and by 2050 about 2/3) live in a beehive-like settlements, cities. City-living is unnatural to human species, and accordingly humans are less happy in cities than elsewhere (except in poorest developing countries), i.e., urban disamenities outweigh amenities.

²It is a common mistake to consider city amenities as livable (high on QOL), but not consider as much natural amenities, while it is actually nature that is our home, not city.

There is a fascinating interplay between QOL and SWB across the urban-rural gradient.³ QOL usually increases with size of a place, but SWB decreases—larger cities tend to be ranked higher on QOL, but lower on SWB (Okulicz-Kozaryn and Valente 2019, Okulicz-Kozaryn 2013). The larger the place, the more amenities: freedom, *gesellschaft* (Tönnies [1887] 2002), productivity, efficiency, agglomeration economies, labor specialization (O’Sullivan 2009), innovation, income per capita (Bettencourt and West 2010). But also there are multiple disamenities: air, noise, and light pollutions, disease spread (covid19 case in point), alienation, superficiality, crime, stress, and so forth (Wirth 1938, Simmel 1903, Okulicz-Kozaryn 2015).

Perhaps, the greatest contrast of high urban QOL/livability v low SWB is found in the case of Singapore. Despite top QOL/livability, Singapore doesn’t make it to the top quartile on SWB (Veenhoven 1995).

Urban malaise or unhappiness is universal among the “top” cities in the developed world. The largest American city, New York City, is the least happy or one of the least happy places in America (Okulicz-Kozaryn and Mazelis 2016, Senior 2006). London is the largest and least happy place in the UK (Office for National Statistics 2011, Chatterji 2013). Toronto, the largest metropolitan area in Canada, is the second least happy place in Canada, only Vancouver (third metropolitan area) is less happy (Lu et al. 2015). Helsinki is the largest and least happy place in Finland (Morrison 2015). Bucharest is the largest and least happy place in Romania (Lenzi and Perucca 2016b), and so forth. It is a paradox—people flock to large cities, the places that are least happy.

People flock to the most expensive cities like New York, Toronto, Milan, and Beijing. They are proud to live in a “top” city, and yet unhappy to live there at the same time (Balducci and Checchi 2009). Large city dwellers are consistently proud of their cities, even regardless of their own conditions or indicators of quality of urban life (Balducci and Checchi 2009, Martinson 2000).

A case can be made that there is an unconscious city fetish (Okulicz-Kozaryn and Valente 2017), that is, people are drawn to cities and kept there in large part by their unconscious city fetish. The alluring fetish is city’s power, prestige, and wealth substituting for urbanite’s insignificance—an urbanite feels delusionally empowered and fulfilled by the city—urbanite thinks she’s more than she actually is due to being in powerful,

³Urban-rural is rather a gradient than a dichotomy. Urban unhappiness intensifies at a population level of around several hundred thousand (Okulicz-Kozaryn 2016). By “urban” or “city” I mean here large cities, larger than several hundred thousand. By rural I mean rural areas: wilderness, open country, and villages, but also smaller towns. But again, it is a gradient, and both QOL and SWB increase (and decrease) along with size of a place.

prestigious, and wealthy city (Okulicz-Kozaryn and Valente 2017).

An objective quality of life may be high—city has wealth, amenities, and opportunities—and yet vast majority of urbanites don’t have time or money to take advantage of city resources and end up less happy—SWB is lower in cities—but yet due to city fetish they remain in their delusion that they are better off in the city. QOL/livability indices tend to miss the importance of nature, human species’ natural home.

Cities have always been economic, political and cultural centers, and if anything, the prominence of cities is increasing (Khanna 2016, Hanson 2015). “The formal architecture of cities [...] expresses power and wealth” (Rudofsky cited in Hough 2004). Cities attract people, because people strive for power and status. City fetish is similar to Marxian commodity fetishism or domination by things (Marx [1867] 2010). Just like commodities bestow its value but also domination on humans—so do cities bestow its value and dominance upon urbanites. The urban bestowal materializes itself in a feeling of pride and superiority for an urbanite (Martinson 2000, Balducci and Checchi 2009).

Urban pride can be visualized using facial expressions in figure 4—urbanites delusionally shine with their power and fulfillment. Of course, some truly do shine and emanate energy, but that is a fraction of the top percent.⁴ Urban pride and power, however, for majority of urbanites, is illusory—they are insignificant and subjugated cogs in the urban machine toiling long hours and living in small and expensive spaces (see appendix for elaboration). And again, they are less happy than rural folks.

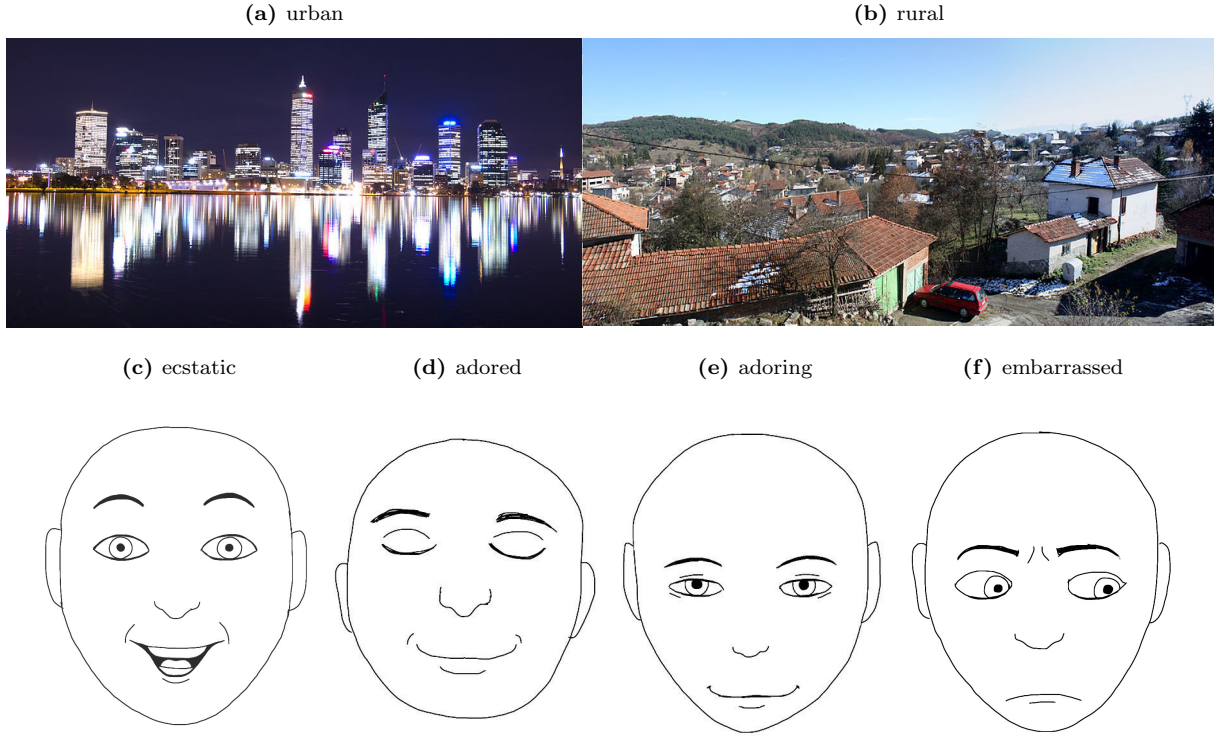
5 Summary, Discussion, and Use of SWB for Policy

The article started with a quote by lord Kelvin on necessity of measurement in order to track progress and eventually improve outcomes. What gets measured, can be improved. For too long we have been focused on measuring and improving dollar amounts such as GDP. Monetary measures must not only be complemented by other measures, but they must be given much less weight, at least in the developed world. Indeed, progress can perhaps be even better measured by decrease in GDP, not increase Kallis et al. (2012), Kallis (2011).

The argument here is that objective QOL and subjective SWB are complementary (rather than substi-

⁴The energy aura of the fraction of the top percent seems to come from common people in the first place—powerful people appear to nurture their energy from their admirers (Okulicz-Kozaryn and Valente 2017).

Figure 4: Powerful and dominating urban v insignificant and subjugated rural.



tute). SWB is more comprehensive than QOL as it encompasses all sources and domains that matter to a person. It is more precise because it has a perfect weighting by each person as opposed to some expert defining weight for components of QOL uniformly for everyone. SWB can be used as a “yardstick” to aid with public policy—this is not a new idea—it was already proposed at least as early as in 1980s (Veenhoven 1988).

It is agreed that improvement in QOL should result in higher SWB as per livability theory (Veenhoven 2014), but attention should be paid to what aspects of QOL matter for SWB. If something is not important for SWB, then we should not spend scarce resources on it. For instance, more highways may not result in more SWB (perhaps positive economic externalities are traded off by negative ones such as pollution and noise). As elaborated earlier, if there is any obvious policy direction for improving SWB, it is cutting money orientation and cutting consumption (at least in the developed world).

It is overlooked that arguably the ultimate outcome of any public policy is happiness (SWB). Yet only in few cases it is stated explicitly. One example is Bhutan, which officially aims to achieve “the greatest

happiness for the greatest number.” While the US in its Declaration of Independence acknowledges “pursuit of happiness,” it is difficult to imagine a US government official pondering how some policy or administrative action enables this pursuit.

To fix the ideas, it is useful to use a flow chart to conceptualize an outcome line between a social problem, policy tackling it, an outcome of interest, and happiness in figure 5. Say we face income inequality as a problem and take some action (e.g., tax), to achieve a subobjective, redistribution. The outcome of interest is income equality. But we usually stop here. We forget that the ultimate outcome of interest is happiness—after all why consider something as a problem if it doesn’t hamper happiness. Why design a policy and achieve some outcome if it doesn’t improve happiness? To improve policy making and administration we should ask and measure explicitly how much SWB will a policy or administrative action bring about.⁵

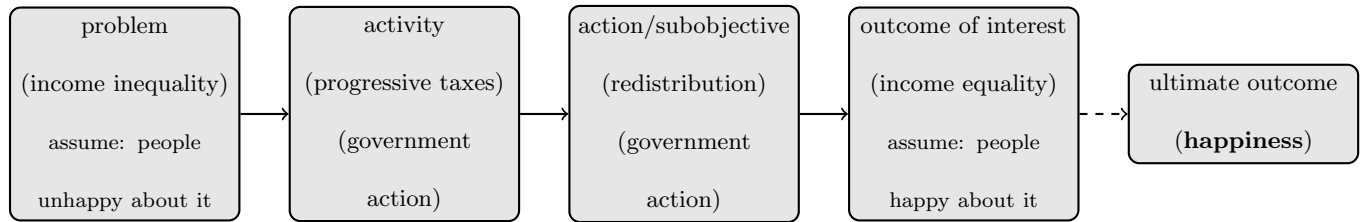


Figure 5: An outcome line. Usually we stop at outcome of interest. Yet the outcome of interest is only of value (with some exceptions) if it results in happiness.

There are always limited resources and there are many competing needs—education, safety, public health, and so forth—one metric to help direct spending is SWB. One example is housing and commute. We know that stressful commute in heavy traffic is one of the worst things one can do for one’s happiness (Kahneman et al. 2004, Manke 2021). The reason for stressful heavy traffic commutes is a spatial mismatch between housing and jobs. Usually a person buys a larger and more expensive house than she needs further away from jobs in suburbs or exurbs (Duany et al. 2001). But such houses, or most consumption in general for that matter, do not result in lasting SWB (Leonard 2010, Kasser 2016, Dittmar et al. 2014, Kasser 2003, Schmuck et al. 2000, Kasser and Ryan 1993).

Hence, a policy could discourage consumption and commute to promote greater SWB. Houses are typically

⁵There are exceptions to this rule, of course. SWB is not the only outcome of interest. Sometimes one must endure outright misery to achieve happiness later. And sometimes happiness is not the most important goal, especially if its achievement conflicts with other desirable outcomes such as morality. Especially in the short run, one often needs to sacrifice happiness in order to achieve happiness in the long run. For instance, one needs to save, invest, postpone consumption, and work hard in order to be happy later. A typical example of short run SWB and long run misery is over-use of pleasure inducing chemicals such as tobacco and alcohol (Linden 2011).

the largest consumption item of typical persons, and cars are typically the second largest item. Expensive or luxury cars do not bring about SWB either (Okulicz-Kozaryn and Tursi 2015).

QOL/SWB, as ultimate goal, should dominate policy and administration. QOL/SWB have already entered the mainstream policy discussion around 2010 with the publication of Stiglitz et al. (2009). Yet, a troubling development is adoption and distortion of QOL/SWB by economists (Helliwell et al. 2012, 2020, Glaeser et al. 2016, Glaeser 2014, Helliwell et al. 2012, Glaeser 2011b,a, Benjamin et al. 2014, Benjamin and Hefetz 2012, Rayo and Becker 2007, Becker and Rayo 2008, Benjamin et al. 2015, Glaeser et al. 2014, Deaton and Stone 2013, Deaton 2013) Again, Skidelsky and Skidelsky (2012, p. 12) puts it well “Perhaps the chief intellectual barrier to realizing the good life for all is the discipline of economics.” Notably, we have a “happiness industry” (Davies 2015) claiming that the more money, work, and consumption, the more happiness—governments and businesses embrace happiness to advance their own goals (Davies 2015).

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6 Appendix/Supplementary Online Material (SOM)

6.1 Measurement: Various Typologies Of QOL

QOL indices mostly capture material standard or level. There are many QOL indices, notably QOLS scale (Burckhardt et al. 2003). Local or even neighborhood level QOL (and some SWB) is discussed in Pfeiffer et al. (2020), Cloutier et al. (2018), Cloutier and Pfeiffer (2017), Musikanski et al. (2017), Pfeiffer and Cloutier (2016), Larson et al. (2016), Cloutier (2014), Cloutier et al. (2014), and local/neighborhood level SWB is discussed in: Mouratidis (2020b,a, 2019), Mouratidis et al. (2019), Mouratidis (2018, 2017) There are some sub-country, regional or province level studies of QOL and SWB: Lenzi and Perucca (2020, 2019, 2016a), Okulicz-Kozaryn (2012, 2011)

QOL indices at country level include:

- <http://www.oecdbetterlifeindex.org> (some SWB included as well)
- <http://happyplanetindex.org/> (a notable exception, also includes SWB)
- <https://www.usnews.com/news/best-countries/quality-of-life-rankings>
- <https://www.bcg.com/publications/interactives/seda-2019-guide>

QOL indices at city level include:

- <http://whosyourcity.com>,
- <http://www.gallup.com/poll/145913/city-wellbeing-tracking.aspx>,
- <https://wallethub.com/edu/happiest-places-to-live/32619>
- http://www.economist.com/blogs/gulliver/2011/02/liveability_ranking
- <http://www.mercer.com>

These are so called “best places to live.” Mercer index appears to be most popular.⁶

⁶ “The Economist and Forbes base their rankings primarily on data from the Mercer consulting company” (<http://www.livablecities.org/blog/value-rankings-and-meaning-livability>).

6.1.1 Mercer Index

Mercer surveyed expatriates on the importance of each of the 39 issues. The weights assigned to each category are as follows (most heavily weighted items in bold):⁷

- 23 **Political and social environment** (political stability, crime, law enforcement, etc)
- 4 Economic environment (currency exchange regulations, banking services, etc)
- 6 Socio-cultural environment (censorship, limitations on personal freedom, etc)
- 19 **Health and sanitation** (medical supplies and services, infectious diseases, sewage, waste disposal, air pollution, etc)
- 3 Schools and education (standard and availability of international schools, etc)
- 13 **Public services and transportation** (electricity, water, public transport, traffic congestion, etc)
- 9 **Recreation** (restaurants, theaters, cinemas, sports and leisure, etc)
- 11 **Consumer goods** (availability of food/daily consumption items, cars, etc)
- 5 Housing (housing, household appliances, furniture, maintenance services, etc)
- 6 Natural environment (climate, record of natural disasters)

6.2 Urban Pride: Towers

Burj Khalifa is the tallest tower in the world so far in figure 6.

⁷I obtained weights by contacting Mercer in 2011. I have contacted them again to see if there was any change and was told that it has not changed. Morais et al. (2013) reports the same weights. A full list of 39 factors is in (Okulicz-Kozaryn 2013).



Figure 6: Burj Khalifa—the tallest building in the world as of 2020.

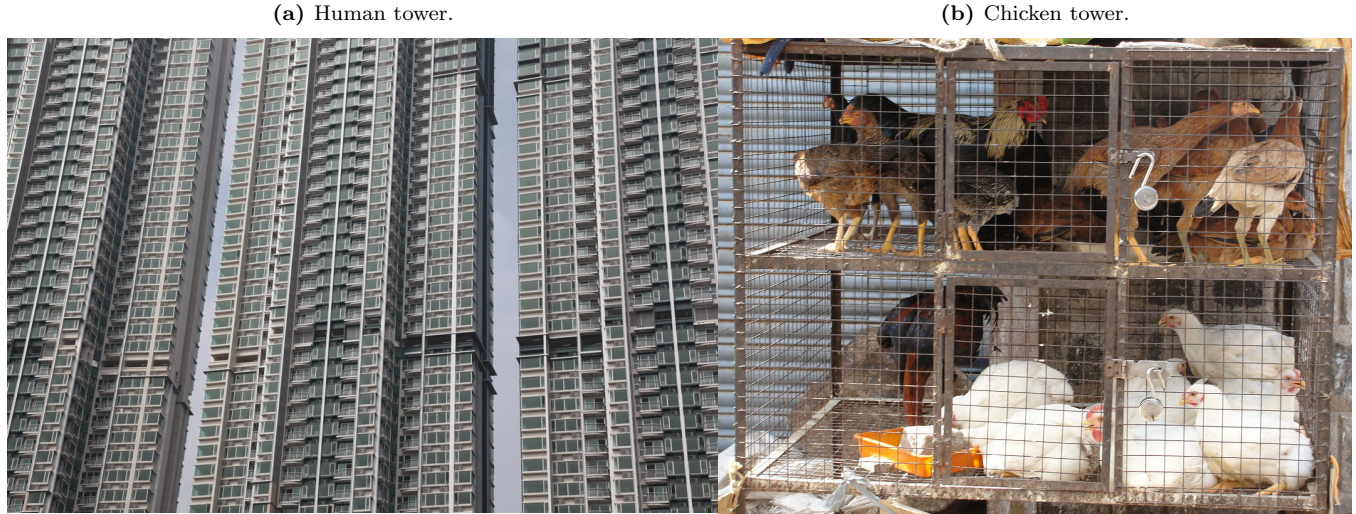
6.3 Urban Malaise: Crowding

There are striking examples of crowding in largest cities. While majority of urbanites do not live in such extreme crowding, the trend is towards more crowding as urban population is growing, cities are becoming larger and much less affordable (Misra 2015, Florida and Schneider 2018, Weinberg 2011, Solari 2019, Schuetz 2019, Kotkin 2013).

Human crowding in city towers can be visualized as compared to chicken crowding in cages in figure 7.

Human cage-size living is already happening. New York offers some 250 sq feet apartments. Some New Yorkers live in even smaller 100 sq feet apartments.⁸

Figure 7: Towers as economically efficient housing for humans and chickens.



6.4 Mental Health Crisis

The World Health Organization estimates that in the next few decades depression will become the second most frequent cause of disability in the world (cited in Diener 2009, p. 66). Western countries are facing a mental health crisis, notably UK and US (e.g., Wilkinson and Pickett 2010).

Interestingly, happiness research in psychology has started from researching depression—Martin Seligman, a happiness pioneer in psychology, first studied depression, to bring people from miserable to normal. Then he realized that we can do better than that and increase wellbeing beyond neutral towards full human flourishing.

⁸See <http://7online.com/realestate/couple-squeezes-into-one-of-manhattans-tiniest-apartments/371661/>, <http://inhabitat.com/nyc/womans-impossibly-tiny-90-sq-ft-manhattan-apartment-is-one-of-the-smallest-in-nyc/90-square-foot-apartment/>, <http://www.nydailynews.com/new-york/uptown/smallest-apartment-nyc-article-1.1459066>. Some apartments or “cubbyholes” are even smaller at striking 40 square feet, see for instance: <http://www.nytimes.com/2016/09/18/realestate/so-you-think-your-place-is-small.html>. In other dense cities crowding is similar, e.g., <https://www.nytimes.com/interactive/2019/07/22/world/asia/hong-kong-housing-inequality.html>.