

# Using subjective well-being in public policy: Opportunities and challenges

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**It is time to explore *in which situations* SWB provides added value for policymaking.**

**Stiglitz et al. 2009: „Measures of both objective and subjective well-being provide key information about people’s quality of life.”**

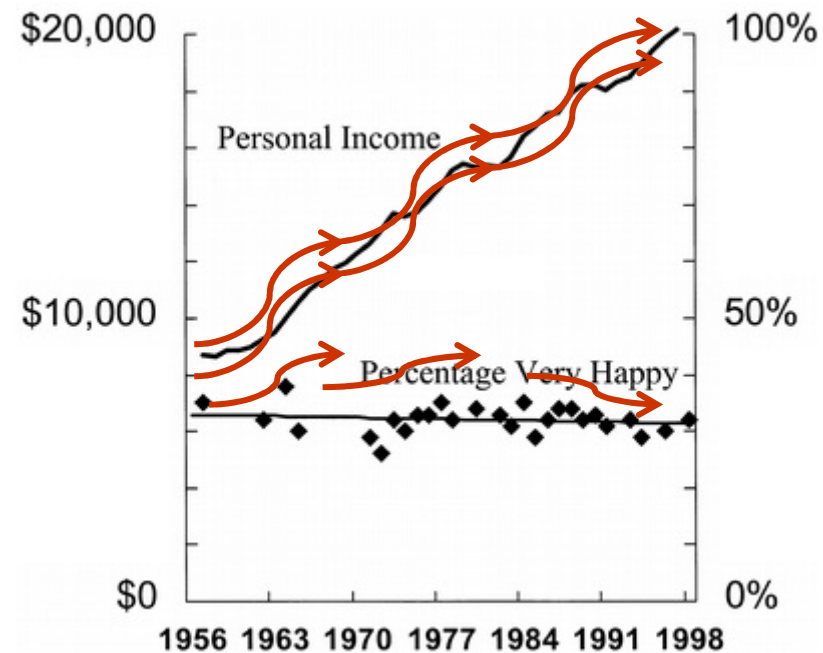
**For using subjective well-being in policymaking the question is not *if*, the question is *when* and *how*.**

## There are several ways in which subjective well-being can inform public policy

1. **Monitor progress**
2. **Identify the key drivers of SWB and try to foster them through policy**
3. **Evaluate policy based on SWB impact**
4. **Find out where objective and subjective well-being diverge**
5. **SWB can inform development policy strategies**

1.

## Monitoring progress using SWB is not easy, but possible.



**Welfare provision**  
**Gender equality**

**Football world cup  
results**

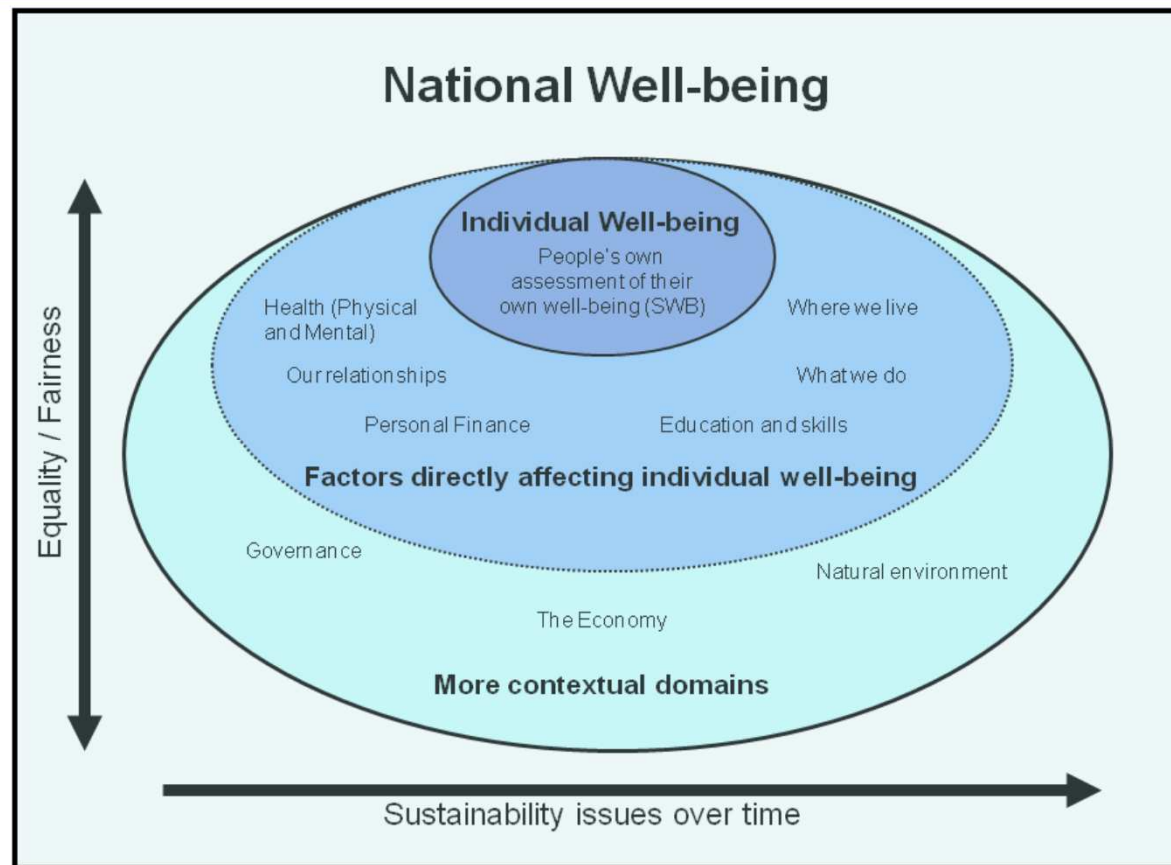
2.

## **Analysing the key drivers of SWB is a very promising way forward but raises questions.**

- **SWB regressions can identify the most important factors associated with higher life satisfaction**
  - ➔ **gives us information about what people value**
- **Main drivers are at the interpersonal level (having a spouse, social capital, trust...)**
  - ➔ **what role for the state? “Dept. of Friendship?”**

2.

## The UK Measures of National Well-Being



3.

## Some interesting approaches are developing to evaluate policy using SWB.

1. Stress			
Will increase levels of stress in the population	Do not know the effects on levels of stress in the population	Will not have any appreciable effects on levels of stress in the population	Will decrease levels of stress in the population



**Challenge:**

***Cui bono?***

**Any policy will create winners & losers.**

**Incorporate distributional aspect to see if a policy will facilitate „the greatest happiness for the greatest number.“**

or participate in cultural practices and traditions	in cultural practices	in cultural practices and traditions	practices and traditions.
1	2	3	4

3.

**Some interesting approaches are developing to evaluate policy using SWB but problems need to be solved.**



HM TREASURY

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**THE GREEN BOOK**

Appraisal and Evaluation in Central Government

**“Subjective well-being measurement [...] will be important in ensuring that the full range of impacts of proposed policies are considered” (S. 58)**



**Challenge: Large income compensating differentials due to small income coefficient.**

Treasury Guidance

LONDON:TSO



4.

## The divergence of SWB and OWB can bring a new perspective.

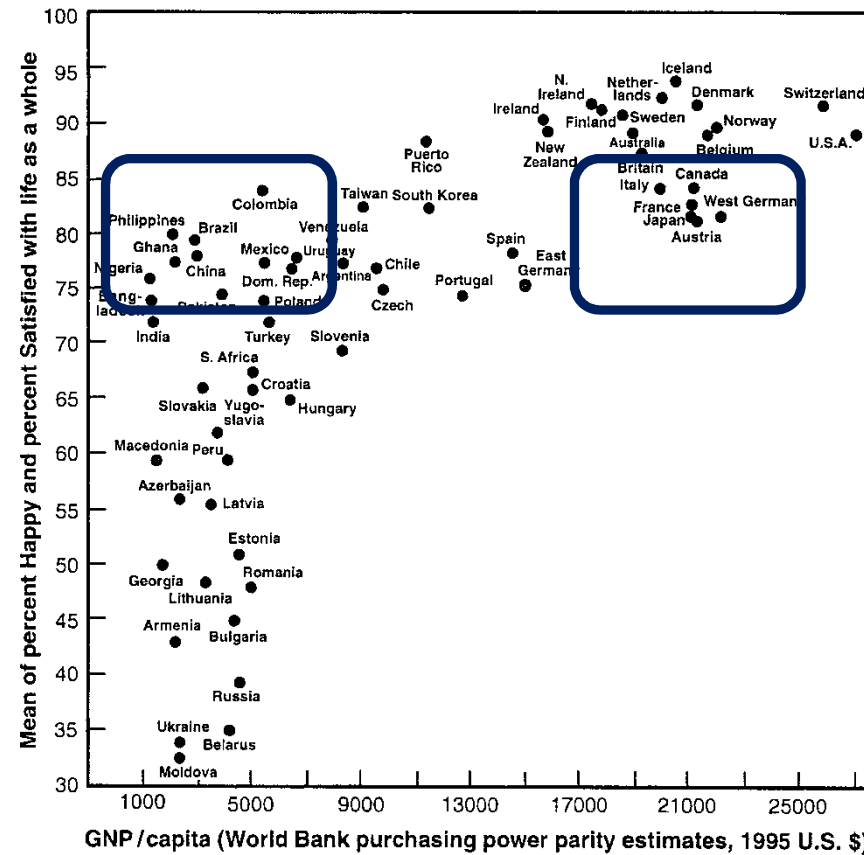


- **Sen (1987)**

*“Consider a very deprived person who is poor, exploited, overworked and ill, but who has been made satisfied with his lot by social conditioning (through, say, religion, political propaganda, or cultural pressure). Can we possibly believe that he is doing well just because he is happy and satisfied?”*

4.

## The divergence of SWB and OWB can bring a new perspective.

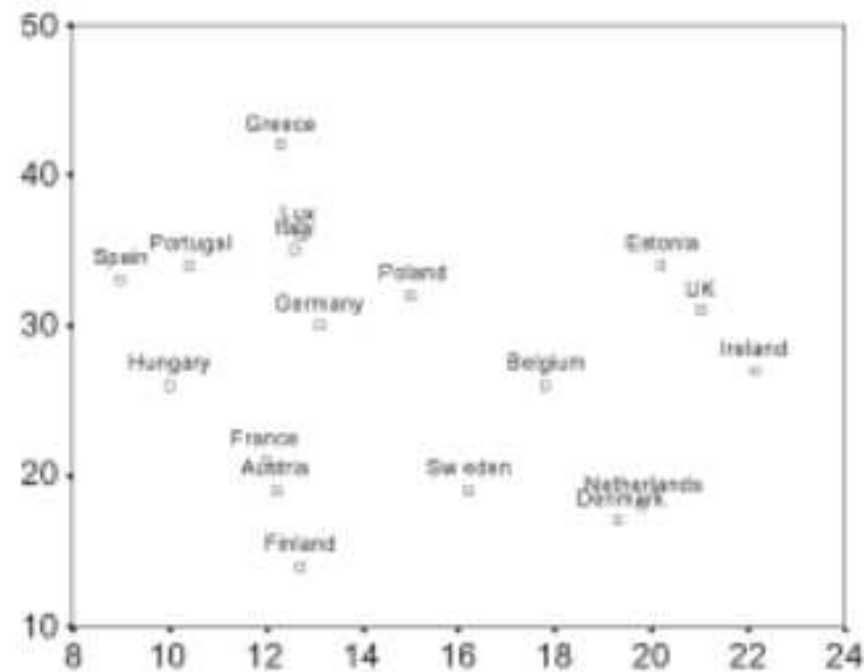


Source: Inglehart / Klingemann 2000

4.

## The divergence of SWB and OWB can bring a new perspective.

Feeling unsafe  
on streets at night



Levels of victimisation

5.

## **SWB can inform development policy beyond a one-size-fits-all approach.**

- **Data analysis shows considerable heterogeneity across countries regarding the importance of the components of the three human development domains (income, health, education) for people's subjective well-being.**
  - **Such differences in “happiness formula“ have implications for tailor made development strategies. People's values differ.**
- ➔ **Go beyond one-size-fits-all approach**
- ➔ **Revise MDG's accordingly**

**Thank you!**

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