

# What do policymakers know about the factors influencing people's well-being?

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Most people would probably agree that quality of life means more than just material welfare, and it is becoming increasingly common for politicians to be interested in letting people's subjective well-being guide policy. The economist Yonas Alem's research from Addis Ababa in Ethiopia, a city of three million people, shows that decision-makers make widely differing guesses about what the citizens themselves consider to make them satisfied with life.

Bhutan is a country that for decades has used gross national happiness instead of [gross domestic product](#) as a measure of welfare and social progress. In the United Kingdom, the country's first official subjective well-being index will be published next year. And in France, a commission initiated by the President and chaired by the Nobel Prize winners Stiglitz and Sen concluded that: "[Quality of life](#) is a broader concept than economic production and standard of living. It includes the full range of factors that makes life worth living, reaching beyond its material side."

"Subjective well-being is a promising instrument for evaluating political projects and following development over time. But if policymakers are to be able to use it and set priorities in accordance with the preferences of the people they represent, it is important that they have knowledge of what factors influence people's well-being. We believe that both an enlightened debate and enlightened [politicians](#) are needed," says Alem.

Like the results of studies in richer [western countries](#), Alem's research

results from Addis Ababa, the capital of one of the world's poorest countries, show that married people are more satisfied with life than unmarried and divorced people. Women are happier than men. Health, consumption per capita, the possibility of being able to raise the money to cope with an emergency situation in a week and belief that one's own standard of living can be improved over the next few years are also of great significance to well-being.

The environment has become an increasingly important aspect in this context in recent years. There are relatively few cars and industrial plants in Addis Ababa, so unlike many other large cities air pollution is not a major environmental problem; on the other hand, the management of domestic refuse and sewage is such a problem. Sewage management is a factor with a great impact on people's well-being, the study that was done in 2009 and covers 416 households shows. Access to an open or covered ditch and/or septic tank has great significance compared with being forced to deposit sewage directly on the ground.

When 63 policymakers were asked to guess what influences citizens' well-being, to a large extent they guessed both wrongly and heterogeneously. For example, more than half of them thought that men are somewhat more satisfied with life than woman, while the survey of inhabitants shows that women are considerably more satisfied. Just as incorrectly, the policymakers thought that 30-year-old citizens experience far greater well-being than 60-year-olds.

Both citizens and politicians were also asked to indicate how they consider the government should prioritise five different policy measures. The citizens gave control of inflation top priority, while the policymakers put it last. (Another article in the thesis is concerned specifically with the impact of food price inflation on consumer welfare in Ethiopian cities in 2004-2009.) Despite a clean environment having been shown to be important to the citizens' well-being, they gave such

measures lowest priority. The policymakers, for their part, guessed that a clean environment had little impact on the citizens' well-being, yet ranked such measures as one of the most important priorities.

Provided by University of Gothenburg

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