



“Summary of article by Peter Travers and Sue Richardson: Material Well-Being and Human Well-Being” in Frontier Issues in Economic Thought, Volume 3: Human Well-Being and Economic Goals. Island Press: Washington DC, 1997. pp. 26-29

Social Science Library: Frontier Thinking in Sustainable Development and Human Well-being

“Summary of article by Peter Travers and Sue Richardson: Material Well-Being and Human Well-Being”

This chapter is devoted to evaluating the relationship between material wellbeing and the rest of life -- i.e., human wellbeing. The concept of material wellbeing is only an abstraction, and it only covers one aspect of human life; we must be careful not to misuse it, or place more importance on it than is warranted. In fact, only weak relations can be discerned between measures of material wellbeing and three other aspects of life: happiness, health, and social participation. This is good news, since dominance of all of life by one type of good (wealth) or one type of distribution system (the market) would be unjust and undesirable.

MATERIAL WELLBEING AND HAPPINESS

The “fallacy of misplaced concreteness” is the mistake involved ““whenever thinkers forget the degree of abstraction involved in thought and draw unwarranted conclusions about concrete actuality.”¹ One such fallacy occurs when we put too much weight on the meaning of an abstraction such as material wellbeing, and conclude that richness in this respect implies richness in all aspects of life, or even that no other aspects of life are important. Turning a useful abstraction that is meant to serve particular analytical purposes into a defining reality in this way leads to misinterpretations and poor decision making, especially with respect to social welfare policy. It is therefore necessary to carefully evaluate the actual relationship between the concept of material wellbeing and other aspects of human wellbeing.

Few people, economists included, would actually argue that material wellbeing can be directly equated with happiness. But economists do argue that because material wellbeing expands options and so contributes to human wellbeing, it can adequately serve as a proxy indicator of individual and national welfare. However, although evidence suggests that the association between subjective evaluations of happiness and wealth is positive, the relationship appears to be quite weak; within a given country, “rich people invariably declare themselves to be happy more often than do poor people, but not by a large margin.” (119) Comparisons between countries show an even less certain relation; cross-country studies have found that levels of happiness in poor countries are not much different from those in their wealthier counterparts.

In the debate about the explanations for these low correlations, some discard subjective indicators altogether, but among those who believe that subjective measures are essential, there are two schools of thought. The first treats subjective assessments of wellbeing as a reflection of the gap between an individual’s situation and his or her aspirations, and argues that aspirations

are adjusted to conform to reality. The second school focuses on an individual's sense of relative superiority, arguing that the perception that one is doing better than average adds to subjective wellbeing. In either case, "some kind of adaptive mechanism seems to be at play whereby people come to terms with their situation." (125)

So what does contribute to happiness? Surveys in Australia indicate that the main causes of unhappiness include health problems, lack of friendship or a spouse, lack of social support and community connections, and financial difficulties. Markets are not irrelevant to happiness, but they cannot meet all of these needs. For one thing, trying to convert all of these needs and experiences into marketable goods would radically transform their very nature, perhaps destroying their capacity to create happiness; "friendships" provided by markets would be a much different thing from what we now know. Markets also have difficulty delivering positional or scarce goods, since making them available to everyone can destroy their quality and value. Finally, markets make a virtue of competition and are hostile to cooperation and a sense of community, but these latter attitudes are important sources of wellbeing in their own right. Thus, at times there may actually be trade-offs between material wealth and overall human wellbeing.

MATERIAL WELLBEING AND HEALTH

Material wellbeing and health also appear to be related, if weakly, but the correct interpretation of this relationship is not clear. Australian data, for example, demonstrates a clear inverse relation between occupational prestige and mortality, although this relation is not evident for all causes of death. Self-assessed levels of health also improve with material wellbeing. But approaches to defining and measuring health are complex and contested. Self-assessment is influenced by cultural factors, and criteria such as the use of health services may reflect common social practices or access more than need. Approaches that focus on characteristics such as pain or functional capacity are also highly relativistic. In the end, blunt instruments such as mortality and life expectancy may be the best available indicators.

The Black Report, published by the British Department of Health and Social Security in 1980, related class differences to health, and found that the gaps were growing, generating a great deal of debate. The report was based on achieved class -- i.e., class based on current occupation, not class at birth -- during a period of high social mobility, so it was not clear whether health had determined class, or the opposite. It also provoked debate about materialist versus lifestyle explanations of health inequalities. Materialists focus on how differences in access to consumption goods and services can affect health, i.e., they focus on what income can buy. This view can, however, be extended to include entire ways of life associated with a given status, in which case it is not entirely distinct from the lifestyle explanation, which emphasizes the ability of individuals to influence their own health through behavior and consumption choices. However, this materialist-lifestyle distinction is actually misleading and not very productive.

Research on poor countries with exceptionally low mortality relative to per capita income levels -- in particular, Sri Lanka, Costa Rica, and Kerala in South India -- is more revealing. The determinants of this low mortality appear to include high inputs into universally accessible health and education services, egalitarian food distribution, a high degree of autonomy for women, and open political systems that respond to popular demands -- conditions that seem to arise out of certain shared cultural and social patterns. Many of these factors do require substantial public

investment of scarce resources, so material wellbeing on a national scale is clearly important, but the experiences of these countries clearly demonstrate that social attitudes and political will can have enormous impact as well, delinking an individual's health and material wellbeing from his or her income. Thus, "the issue is not so much one of materialist versus lifestyle factors, but rather one of the interaction between cultural and material inputs into health, and of the social circumstances that make an egalitarian distribution of these inputs possible." (142)

MATERIAL WELLBEING AND SOCIAL PARTICIPATION

Active participation in community life is a highly valued component of human wellbeing; some pre-modern welfare systems focused more on securing access for all to community participation than on providing for material needs so as to ensure that wealth did not dominate social activity. In the modern era, some analysts argue that poverty is closely tied to social deprivation, but the evidence does not bear this out. Australian data suggests that, as in the cases of happiness and health, the relationship between wealth and social participation -- based on an aggregate sample of twelve activity indicators -- is positive, but small; nor does there appear to be any threshold income below which social exclusion occurs. Moreover, when these activities are divided into subgroups related to social support, friendship, sports activities, and "yuppie" activities (theater- and movie-going, eating out, and taking holidays), all categories except the last show statistically significant but extremely weak correlations to wealth. The correlation between the more cash-dependent yuppie activities and full income is somewhat stronger.

It is also necessary to ask, however, whether individuals with low incomes are more likely than others to suffer from multiple social deprivations (i.e., scoring in the lowest 20 percent in more than one of the activity categories) even if the overall incidence is low. It appears that low income is somewhat associated with experiencing multiple deprivations, but again, the relation is relatively weak. However, when recast in terms of the likelihood of experiencing multiple problems, the data show that even though only a small proportion of the lowest income group does experience this, these individuals are still five times more likely to suffer multiple social deprivations than those at the top of the income scale.

The results are quite similar when considering the likelihood that individuals will suffer problems in more than one of the categories of happiness, health and social participation. Relatively few actually experience multiple problems, but the poorest are eleven times more likely than the wealthy to suffer this fate. On the whole, however, it does not appear that the distribution of human wellbeing mirrors that for material wellbeing. Walzer has defined as unjust a society where the distribution of non-material goods is determined by the distribution of material resources; even if the distribution of wealth, participation, etc. is relatively egalitarian, the intrinsic meaning of friendship, political activity, etc. is perverted if these things can be bought. It is thus a welcome finding that money does not dominate the other spheres of human wellbeing examined here. This finding should have major implications for public policy.

Notes

1. Herman Daly and John B. Cobb, Jr., *For the Common Good: Redirecting the Economy Toward Community, the Environment, and a Sustainable Future* (Boston: Beacon Press, 1989), 36; cited pp. 117-118.