

Using measured well-being to understand equality: the case of Québec*

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Asking people to assess how good their own life *feels* overall produces nowadays plentiful quantitative data which can be used to measure the success of social policies and to shed light on what is important for a good life. It should similarly be able to shed light on the way inequality affects human well-being. Because Québec has come to score highly in this measure of life satisfaction, its trajectory may provide some insights into the kinds of inequality that truly matter.

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1 Introduction

If one asks “Why should I care about equality?” or “How much equality is desirable?” one may quickly realise that a number of rather different domains of equality may at first seem desirable, but that equality in any particular measurable outcome is often not an objective in itself. While Wilkinson and Pickett believe in an association between equality and some abstract concept of a good life, their argument focuses on measurements of specific difficulties associated with inequality.

Fortunately, we have available in recent years new data to indicate what matters for well-being. These new subjective well-being measures are quantitative and tap into what citizens themselves think of their own life quality. These measures of overall quality of experience, or happiness, can be the basis for thinking about and measuring equality, as well.

Remarkably, the Canadian province of Québec is one of the jurisdictions with the highest level of self-reported life satisfaction in the world. Below I discuss what we know about the relationship between equality and modern measures of “happiness”, and how we can learn from the special case of Québec.

A nuanced analysis of equality tends to require a theoretical model and diverse data.¹ To begin with, it is useful to enumerate three sources of inequality which hold different ethical content and policy implications. First, consider the case of **inter-generational mobility**. This issue is the degree to which one’s opportunities in life depend on one’s non-genetic inheritance. Such inheritance includes, naturally, prenatal conditions and early-life experience, along with financial inheritance, expensive education, transmission of influential networking, and so on. It is an understatement to say that modern science tells us that developmental experiences in the first few years of life have a strong effect on our biological makeup throughout the rest of life. To an economist, the existence of these kind of inter-generational transfers are good in that their possibility encourages people to invest in their own children, but are inefficient in that they do not give equal opportunity to individuals with similar innate abilities.

Secondly, “luck of the draw” inequality arises because people start out with **different intrinsic endowments**. That is, even if everyone was raised identically and offered the same support in early life, some people would be more (genetically) predisposed to be outgoing or hard-working or healthy or innovative and so on. The strength of the capitalist element and indi-

¹Text in magenta was not included in the published (book) version.

vidualism in our economic and social system is that it is set up to reward these qualities, however they develop. Nevertheless, even meritocracy has its limits, and society does not desire to punish people for not doing that which they are not able to do. From the economic perspective, allowing inequality due to difference in aptitude is good because it encourages effort and social contributions, but is inefficient whenever individuals do not see a menu of rewards scaled to their abilities. Indeed, in a hypothetical social ideal, each person would see a similar set of incentives to make their best effort and contribution, regardless of how great was each individual's best contribution.

Thirdly, inequality arises because of the randomness of good and bad **luck over time**. Individuals who start out with the same initial fortunes and dispositions in early life will go through different ups and downs that are not entirely under their control; consider disease, failure of entrepreneurial efforts, and so on. Societies tend to buffer the effects of this kind of volatility on individuals. Allowing some inequality of this sort is efficient because it encourages people to reduce risks, nurture and maintain supportive buffers, and adjust their behaviour to circumstances. On the other hand, promoting equality by compensating people for the hills and valleys of fortune is efficient because it acts like an individual insurance policy. In economic theory, and according to common sense, some level of insurance is good.

The classification logic described above applies to any measure of equality — that is, the *distribution* of any outcome measure which we associate with welfare.

2 Subjective well-being and equality

Policies addressing income distribution, inheritance, disabilities, bankruptcy, public support for education and health, and so on can all be thought of as addressing different kinds of inequality that are inevitably present in society. In each case, by most conceivable measures, full equality is *not* desirable, but some degree of redistribution, or equalization, is.

How can this concern with equality be justified, and how can the various measures and causes of inequality be weighed against each other? Let us turn to measures of overall human well-being, from which our measures of particular outcomes, and therefore concerns with equality, should ultimately be derived. The use of self-reported (subjective), overall life satisfaction, or “happiness,” to complement existing metrics of economic welfare and so-

cial progress is attracting high-level interest.² One of the most remarkable findings from international studies of satisfaction with life is that answers to life evaluation³ questions have quantitatively reproducible relationships to the underlying economic and social conditions of respondents, no matter where in the world they live.⁴ Rather than being a reflection of local culture, language, and values, *satisfaction with life* appears to capture universal features of human well-being. This has emboldened researchers in the use of subjective reports as guides to well-being and as guides to the relative importance of different aspects of life in overall life quality.

According to this rather utilitarian approach, someone interested in equality for its own sake ought to concern themselves with equality of life satisfaction; someone interested in equality for the three reasons outlined earlier ought to choose their outcome measures based on how important they are for determining life satisfaction.

Moreover, context matters in the relationship between individuals' economic or social status and their subjective well-being. Consider the subjective well-being (SWB) of someone suffering a personal setback in their fortunes. If institutions and culture reinforce each other in promoting the belief that entrepreneurs can recover from bankruptcy, that youth can recover from a criminal record, that people can overcome disabilities and contribute to society, and so on, then those with poor short-term outcomes will not feel excluded from society's collective undertaking.⁵ Most importantly, they and others will tend not to judge the quality of a person's character based primarily on current appearance, affluence, health, and so on. Superficial social evaluations are likely to promote insecurity in both judge and judged, to create exclusion rather than social cohesiveness, and to complicate collective problem solving.

In addition, the perceived fairness of institutions is known to matter for subjective well-being. Unequal outcomes lower SWB when they are

²For example, see U.K. Prime Minister Cameron's initiative in the U.K (Cameron, 2010; UK Office of National Statistics, 2011); Stiglitz, Sen, and Fitoussi's report commissioned by President Sarkozy of France (Stiglitz, Sen, and Fitoussi, 2009); the OECD's "Better Life" initiative (OECD, 2011); the U.N.'s 2012 World Happiness Report (U.N., 2012); and U.S. Federal Reserve chair Bernanke's speech on well-being (Bernanke, 2010).

³A standard question is: "Taking all things into account, how satisfied are you with your life these days, on a scale of 0 to 10?"

⁴See Helliwell et al., (2010).

⁵This is a separate argument from more standard economic reasons for redistributive institutions. I have already mentioned insurance, above. It may also be an excellent investment for society to support the "credit limited" poor, who may otherwise underinvest in their education, childcare, and health.

perceived as unjust.⁶

There may be many reasons to expect places with higher measures of equality to be happier, overall. However, as a point of departure for the discussion to follow, it is noteworthy that after controlling for average income across 140 countries, average life evaluations are not correlated with the Gini coefficient of income, a standard measure of inequality. Despite all the correlations shown by Wilkinson and Pickett⁷, average life evaluations are also not correlated with the top 20% to bottom 20% income ratios in the countries of their sample. This suggests that if equality matters for happiness, something more subtle than income differences is the reason.⁸

3 Well-being in Québec

Let us now turn to the province of Québec as an example of a region with rising subjective well-being and relatively low inequality. [Figure 1](#) shows the trajectory of SWB in Quebec over two and a half decades.⁹ Because the underlying survey questions were not, in early years, identical from year to year, the plot shows responses scaled to the national distribution each year. The nearly-steady upward rise of SWB in Québec over this time is remarkable in a number of ways:¹⁰ (i) Large and consistent changes in SWB are relatively rare in reported data, worldwide. (ii) At the end of the period shown, average SWB reports in Québec are as high as in any country in the world, except one¹¹; see [Table 1](#). (iii) The initial low-satisfaction level in Québec in 1985 was such that the average Québécois was as satisfied as someone in the rest of Canada would have been after suffering an income reduction of a factor of more than three. (iv) Not only is the initial situation hard to explain, but available data on candidate factors cannot account for the rise over time.

⁶Interestingly, when perceptions and reality differ, evidence suggests the perception may matter more for SWB (Alesina, Di Tella, and MacCulloch, 2004).

⁷See Wilkinson and Pickett, (2009)

⁸In part, this finding may be driven by the positive effect of economic mobility on expectations. More than one study has suggested that inequality can signal opportunities for advancement (e.g., Senik, 2004)

⁹See Barrington-Leigh, (2013) for an in-depth analysis, but without the more recent data from 2010–2012.

¹⁰See Barrington-Leigh, (2013).

¹¹Country means are taken from the Cantril Ladder question in the Gallup World Poll, using years 2010–2012; see Helliwell and Wang, (2013). The imputed value for Québec is calculated using the Québec and Canadian means from the SWL question in the 2010 GSS.

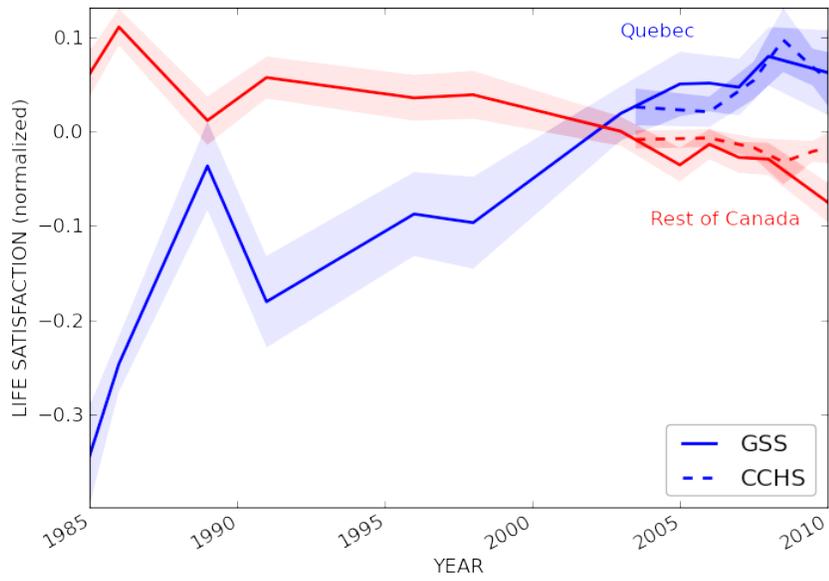


Figure 1: Life satisfaction over time in Québec.

1	Denmark	7.69
	Québec	7.66
2	Norway	7.66
3	Switzerland	7.65
4	Netherlands	7.51
5	Sweden	7.48
6	Canada	7.48
7	Finland	7.39
8	Austria	7.37
9	Iceland	7.36
10	Australia	7.35
11	Israel	7.30
12	Costa Rica	7.26
13	New Zealand	7.22
14	United Arab Emirates	7.14
15	Panama	7.14
16	Mexico	7.09
17	United States	7.08

Table 1: La vie aujourd’hui from the Gallup World Poll (2010–2012), imputed for Québec from the 2010 GSS.

Over this period, incomes in Québec grew, which could help to account for rising satisfaction, except that income did not grow as fast as in the rest of Canada. In addition, while SWB was going up in Québec, so was income inequality: the Gini coefficient of after-tax adjusted household income rose from ~ 0.28 to ~ 0.30 (Figure 2). On the other hand, income inequality grew even faster in the rest of Canada. In order to assess the possibility that this higher income redistribution and equality in Québec contributed to its rise in well-being, I have statistically modeled individual SWB,¹² taking into account the distributions of individual incomes. Compared with the size of the SWB increase to be explained, this method finds only a tiny effect from the income distribution. The conclusion is that if income equality is important for SWB in Canada, it must work through a more subtle channel than making the poor, whose lot is relatively easy to improve, better off.

Indeed, the broader evidence on the determinants of SWB supports the idea that more elusive social factors are of utmost importance in determining the happiness of individuals, communities, workplaces, and countries. In

¹²See Barrington-Leigh, (2013).

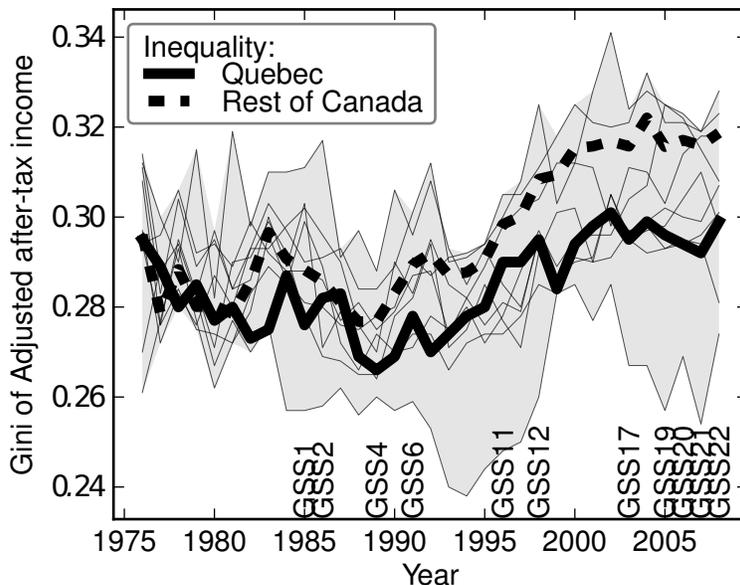


Figure 2: Income inequality in Québec.

accounting for differences across Canadian provinces, for example, we find¹³ that connections to family and friends, trust of fellow citizens and institutions, and a social identity connected to one’s milieu were more important than income as predictors of life satisfaction. Similarly, across 139 countries treated in the 2012 and 2013 World Happiness Reports, measures of social support, health, and perceived fairness of institutions are each as important as income in explaining the cross-country differences in SWB.¹⁴

The deeply social nature of human beings revealed by these statistics and numerous other studies is sometimes at odds with the intuition developed in economics. Proponents of using SWB metrics see them as more direct proxies for human experience than prominent measures of economic consumption. In that case, the degree to which various forms of equality matter to well-being is likely to come about through the nature of such social interactions. If reducing socio-economic “gradients” or differences leads to happier societies, it is likely to come about as a result of the way people interact with each other, see each other, and see their place with respect to each other, rather than through equalizing consumption levels per se.

¹³See Helliwell and Barrington-Leigh, (2010, 2011).

¹⁴See Layard, Clark, and Senik, (2012) and Helliwell and Wang, (2013).

Speculative account of Québec's trajectory

If this sort of explanation lies behind the recent rise of SWB in Québec, what would the story be?

During Québec's Quiet Revolution, many policy changes were intended to improve equality between Francophones and Anglophones, especially in the domains of education and economic opportunity. However, in the process Québec lost many of its community institutions quite suddenly because their focal point, the Catholic Church, rapidly lost its influence in civic matters. According to our understanding of life satisfaction, it would not be surprising if this disruption led to detrimental effects through a loss of social cohesion and social identity associated with the Church, as well as to a loss of both social and family interactions. These effects would act in addition to tensions across linguistic lines, and a conflicted identity of Québécois within Canada, both of which have been exacerbated and politicized in the following decades. In a general sense, such challenges may account for a low initial SWB when measurements began in 1995.

However, the communal heritage of French Catholic culture may be said to have persisted through these challenges and to have been reembodyed in modern, secular institutions. Québécois now benefit from a stronger sense of security and protection of their language and culture, relatively normalized relations between Francophone and non-Francophone citizens, and a set of institutions which emphasizes social supports, consultative processes, and collective values. Likely more than any other large province of Canada, Québec has thus chosen a path which nurtures the kind of conditions which the SWB literature says are likely to support life satisfaction.

To a significant extent, these conditions mirror those of Scandinavian countries, where the highest mean SWBs lie. Québec's secularism and its strong support for families, working mothers, education, housing, and civic services, along with a tradition of a progressive taxation scheme and public consultation¹⁵ all weakly resemble policies in Scandinavia. If those policies support an inclusive culture and a sense of collective belonging — i.e., if they minimise social exclusion and division — it is on the surface all the more remarkable in Québec than Scandinavia because of the much higher ethnic, cultural, and linguistic diversity of Québec. However, it should be noted (but as a caveat, not an explanation) that Montréal, where much of that diversity lies, is the least happy of Québec municipalities(see ??), and that both Québec and Scandinavian countries may in fact be said to represent relatively homogeneous cultures and identities as compared with

¹⁵See Mercier, Bourque, and St-Germain, (2009).

the rest of Western Europe or the rest of Canada. Two other contrasts may be in order. The level of social trust measured in Québec has generally been very low,¹⁶ unlike in Nordic countries which boast the highest levels worldwide. Secondly, it is difficult to compare favourably the transparency of government in corruption-riddled Québec with the unparalleled standards of openness in countries like Norway.

I finish with one other mystery concerning the social fabric in Québec. Our earlier work¹⁷ showed that contact with family and friends is a powerful support for subjective well-being. Québec is doubly unusual in this regard: As shown in Figure 3, Québec has the highest frequency of familial contacts among the large provinces, yet has an extraordinarily low level of contacts with friends.¹⁸ It may be that the emphasis on familial connections is possible because of the relatively low inter-provincial mobility of Francophone Québécois as compared with other Canadians. On the other hand, the rise in SWB in general appears to be a phenomenon equally enjoyed by Francophone and non-Francophone residents.

4 Conclusion

Seen from a progressive point of view, one may expect a society in which there is the perception of a common enterprise to be one in which its members lead satisfying lives. When people of all family backgrounds, people of all initial endowments, and people who have recently had good luck or bad luck, all feel that they will be able to *contribute* to positive outcomes in their communities (family, social, local, global) — then, according to the psychological and economic literature on subjective well-being, they are experiencing the kind of equality that likely matters most to us as social beings. This presents a different vision of equality than one relating to a partition of resources.

While Québec’s ongoing success in promoting happy lives is a puzzle not fully solved, I suspect it has to do with a culture and institutions which empower its individual citizens to contribute to and feel a part of their communities, and which simultaneously provides support, forgiveness, and

¹⁶The latest World Values Survey data may put this in doubt.

¹⁷See Helliwell and Barrington-Leigh, (2011).

¹⁸The correlation between contact frequency with family and with friends is tight among other provinces, with the smaller Provinces exhibiting higher levels of both. In Québec, by contrast, familial contacts are more frequent than in every Province but New Brunswick, PEI, and Newfoundland and Labrador; and contact with friends is less frequent in Québec than in any other Province.

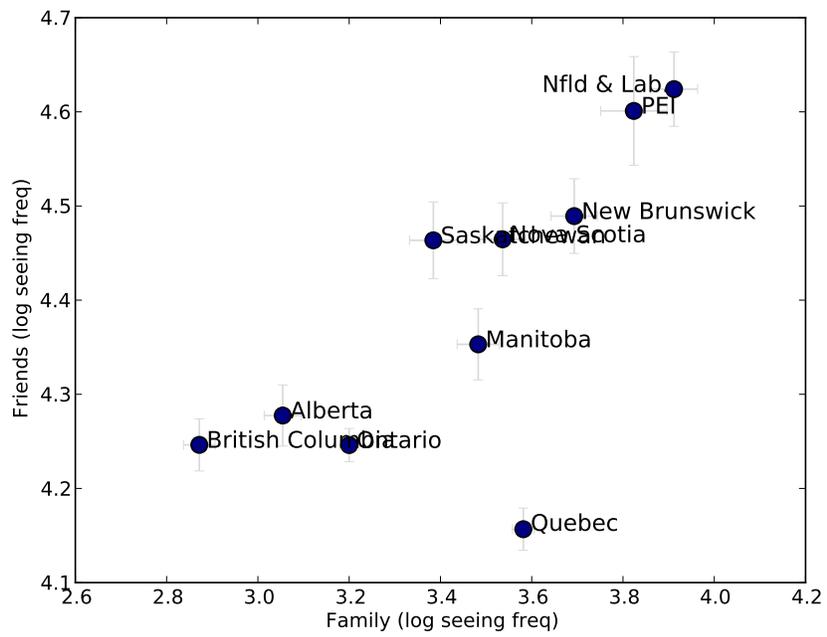


Figure 3: Frequency of social contacts.

meaningful challenge.

SWB research suggests that a happy society is one in which people have empathy for each other, *despite* their differences. Therefore, the fundamental equality to be preserved is simply the ability to participate in and contribute to society. Possibly Québec, with its social democratic tradition, is managing to promote this ingredient for mutual respect and thereby secure its place among the happiest nations on Earth.

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