

How can sustainability enter a budgeting framework for human wellbeing?

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Introduction

Facing a choice of “**the economy vs. the environment**” is a poisonous false dichotomy. It is politically divisive and represents a **debilitating source of cognitive dissonance for the general public**.

Framing our options as impossible choices is, naturally, immobilizing. Regardless of the true risks we face, humans need a positive vision of the future to liberate our most proactive, creative, analytic, empathetic, open, and pro-social selves.

Fortunately, insights about human wellbeing provide for future trajectories which are both positive and feasible (Barrington-Leigh, 2017). Nevertheless, these potential benefits of a life satisfaction framing can be lost when measures of progress take on conflicting goals, undermining our ability to advocate for either wellbeing or sustainability.

A key challenge is that uncertainty about long term outcomes can overwhelm decision processes in the short term. **Calculating or articulating budget tradeoffs between near-term benefits and the most uncertain (risky) and long-run outcomes is doomed to fail** when it is not possible to precisely quantify the latter side of the equation. Broaching such issues together prevents productive resource allocation from happening in the present, largely by conflating objectives and dividing supporters.

This note outlines some prominent approaches to conceptualize sustainable wellbeing and warns against associated pitfalls. I advocate for keeping the notion of wellbeing, and its practical application, separate from a rhetorical approach to ecological constraints. This framework **focuses on promoting the compelling objective of wellbeing, while separating out the most perplexing long-run conundrums**. More (non-technical) detail is available in a [20-page paper](#).

Why life satisfaction?

The “science of wellbeing” offers a way to compare costs and benefits across a wide variety of domains and policy outcomes, creating synergies across traditional policy silos (e.g., health, housing, education) and focusing attention and resources towards improving life, as it is actually experienced subjectively by people.

How people experience wellbeing matters for politicians: the level of life satisfaction going into an election **explains more of the vote share** for incumbent government parties than

traditional macroeconomic indicators like growth rate, inflation, or unemployment. Low life satisfaction is associated with swings towards Republicans in the first Trump election and with far-right voting in France.

Based on what is known about the determinants of life satisfaction, it seems feasible to imagine a society with high life satisfaction but which is running down the resources left for future generations. If government policy is to shift towards an accountability to human wellbeing, how do we incorporate ecological health and sustainability into our objectives?

What measures of sustainable progress exist?

Often, efforts to “move beyond GDP” have tried to incorporate ecological health and human wellbeing into a unified index. This makes superficial sense; GDP famously is not a good measure of human quality of life, and GDP literally ignores the depletion of natural capital stocks. Here are some prominent approaches:

Ad-hoc indices CIW and SDG index offer a single number, an average of many measures related to diverse, laudable goals.

While the measures may be laudable, the Index is built with arbitrary (unaccountable) weights which don't withstand scrutiny by policymakers or experts.

Monetary indices Augmented-GDPs (Genuine Progress Indicators, Inclusive Wealth Index, etc), aim to capture progress by adding and subtracting natural stock losses, an adjustment for inequality, and so on, to GDP.

Estimates of these corrections can be rather speculative, and the scope of what is included largely reflects the availability of data and methods.

Capital stocks Along with proxies for current benefits, track also certain “stocks” in a dashboard.

Absolutely, dashboards should track measurable stocks whose near-term and medium-term implications to wellbeing are understood. But this is insufficient to deal with a number of long-term/complex questions.

Succeeding at neither

Pursuing well-being doesn't ensure environmental sustainability. Safeguards of environmental sustainability cannot be reduced to simple, principled, or scalar (single number) measures or in-

dices. By comparison, human wellbeing is a relatively unitary objective. Conflating wellbeing and environmental sustainability degrades both objectives.

The biggest risks in trying to combine wellbeing and sustainability indicators are rhetorical and political. While a public agenda of wellbeing could unify public perceptions and appetite, and synergize multiple government programmes and objectives, diluting it with hugely uncertain and therefore debatable long-term costs and risks will tend to neutralize the value of the scientific insights that are available about human wellbeing.

Accounting for future wellbeing

Governments use evidence-informed methods to decide to tax away some resources from today's consumption in order to invest in, say, subsidized childcare, public housing, a new bridge, or maintaining a watershed. Such investments can be worthwhile on the basis of building better lives in the future in exchange for a small wellbeing cost today. A wellbeing approach is sensible for these medium-range investments. Let's call those future wellbeing, not “sustainability.”

What is sustainability?

The meaning of “wellbeing” is precise and quantitative in the context of the life satisfaction approach. But what is sustainability? It is the considerations for future planning that are too speculative to fit into the paradigm (above) of predictable investment.

For long-run, unfamiliar, unpredictable, complex, and uncertain dynamics, these investment calculations are not feasible. How, then, are we to incorporate a concern for long-run risk or conservation into a framework which privileges human wellbeing?

Above all, the answer is to be willing to separate them (Neumayer, 1999; Stiglitz, Sen, and Fi-

toussi, 2009). There needs to be a second rationale, besides accountability to predicted changes in human wellbeing, that society accepts to justify limits.

Making use of separate principles will go far to preserve the value of a wellbeing budgeting approach, lest it become controversial, political, and opaque.

Maximise wellbeing within conservation limits

Broadly, Barrington-Leigh (2020)'s approach is to impose conservation limits on policy, and then focus on building better lives, taking the limits as given. This distinction is ultimately a rhetorical choice, but is informed by the scope of uncertainty and complexity in managing long-term risks.

For example, an energy transformation policy, an emission cap, and various phase-outs, can all be justified on ethical or identity grounds, without reference to future wellbeing. This frees up a purely-optimistic discourse for the pursuit of better lives.

Changing public expectations

The pursuit of life satisfaction makes sustainability policies psychologically palatable and therefore politically feasible (Barrington-Leigh, 2017). In fact, gradually shifting public conceptions of "a good life" away from the consumption-oriented values we have now is one of the **essential changes** needed for an ecological transition (Chan et al., 2020). The shift in perception will be towards a more empirically-valid account of humans as social beings in pursuit of meaningful contribution and interpersonal connection. We may need to investigate and address further the influences sustaining a consumption-oriented bias (power of advertisers in shaping broad beliefs?), but in the mean time, evidence is safely on the side of strong social determinants of wellbeing.

A focus on wellbeing without conflating it with highly speculative environmental costs and outcomes may liberate us from a variety of fears, identity threats, and partisan instincts.

An explicit reorientation of public policy towards the determinants of life satisfaction is itself, therefore, a profound step towards achieving sustainability.

References

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Other briefs in this series

<p>BRIEFING NOTE (V. 2020-09-27, CLICK HERE FOR LATEST VERSION) 1</p> <p>What would a pan-jurisdictional wellbeing-budgeting framework look like?</p> <p>Chris Barrington-Leigh McGill University July 2020 research.wellbeing.mcgill.ca</p> <p>Introduction</p> <p>Wellbeing budgeting is attractive because it promises to be able to integrate accounting of benefits, and risk decreases, across agencies and also across jurisdictions. A sensible conception of human wellbeing, rooted in individual experiences, does not change its meaning according to which jurisdiction is asked. In this and it does not matter for wellbeing which jurisdiction was responsible for a positive change. Such differently wellbeing outcomes of policy can consistently be used across jurisdictions, both as well as across traditional thematic domains of policy.</p> <p>In addition: (A) Capacity and resources can be well-judged. (B) The ability to compare and benchmark with peer jurisdictions and provinces is an important feature when building measurement frameworks. (C) Leaving each local government to research and design its own framework, when these would in the end be jointly of commonality, would be a costly inefficiency. And (D) no local jurisdiction can generate enough evidence or experience to provide it with the best knowledge on how policies will affect wellbeing, having some consistent indicators across the country provides a common evidence base for wellbeing budgeting.</p> <p>All this is to say that the shared responsibility and funding for many factors influencing wellbeing make collaboration, coordination, and even a shared open approach. An ideal wellbeing budgeting framework in Canada would be designed to serve all jurisdictions, while allowing local governments to choose the extent to which they adopt common measures or adapt to their own context. Therefore, any ideally-designed framework should go beyond federal government's needs, in order that it can offer all jurisdictions a toolkit for indicator measurement, and a toolkit for decision making.</p> <p>This note outlines some suggested features of an integrative wellbeing budgeting framework. It also emphasizes why asking which supports of wellbeing relate to a given level of government is important. And it suggests how to use a wellbeing dashboard.</p> <p>Desirable features</p> <p>A pan-jurisdictional offering will offer (but not require):</p> <ol style="list-style-type: none"> 1. A shared, measurable indicator, and the justification for a common decision across multiple traditional policy boundaries when comparable measures of success were difficult. Some good reasons include: <ul style="list-style-type: none"> 1. Separation of domains of expertise (and supports of wellbeing) from policy intervention options 2. Ability of indicators of wellbeing to be expressed at different geographic scales 3. Few comparability issues commonality in measure across regions 4. Common evidence base for choosing wellbeing supporting policy (local regions can leverage experience elsewhere) 5. Integration and synergy of accounting of policy benefits across jurisdictions 	<p>BRIEFING NOTE (V. 2020-09-27, CLICK HERE FOR LATEST VERSION) 1</p> <p>Integrating a wellbeing budgeting framework with existing priorities and commitments</p> <p>Chris Barrington-Leigh McGill University July 2020 research.wellbeing.mcgill.ca</p> <p>Introduction</p> <p>Aligning policy under an overall quality of life framework is attractive for several reasons. It should help to correct from long-standing policy bias towards a market growth orientation. It may help to align work across agencies and to build more integration policies. It should help to communicate government's ultimate goals and its accountability to the best reputation of Canadians.</p> <p>Objective measures can inform us about levels of income and employment and housing in a society, but they can never tell us what it feels like to be poor or rich, to be overworked or underemployed, to have no private space, or to be stuck in a house. By going elsewhere by visiting other across departments and agencies, a life satisfaction approach is likely, first of all, to respond and integrate outcomes-based policy-making in terms of existing objectives measurable. Its ultimate promise is that it can provide both intuitive meaning and analytic valuation to any series of objective goals.</p> <p>Contents</p> <ul style="list-style-type: none"> 1 SDGs 2 Urbanization 3 Poverty Reduction Strategy 4 Low-income & Voted Ensemble 5 GBA+ 6 Equity 7 National Housing Strategy 8 New, Zero Carbon Strategy 9 Health to All Policies 10 Truth and Reconciliation <p>SDGs</p> <p>The SDGs and their measurement framework are a set of goals, the best to risk, with an intended way to promote across them. Nevertheless, the tools to create an index which combines all of these goals presents policy makers with a daunting task.</p> <p>There is a tendency to create indices of progress or wellbeing which combine multiple, disparate outcomes with arbitrary weights, leaving them undifferentiated open society, even after attaching initial public and political attention. Worse, such indices often combine, i.e., add together, measures related to human experience with measures related to ecological limits. An example is the single (or any) index created to track the highly relevant U.N. Sustainable Development Goals (SDGs). It is a sum of 170 numbers, all treated as equally important, which cover the disparate life captured by the SDGs. On how and why (2020) note.</p>	<p>BRIEFING NOTE (V. 2020-09-27, CLICK HERE FOR LATEST VERSION) 1</p> <p>Has COVID changed everything? Opportunities and priorities in the pandemic and RECOVERY</p> <p>Chris Barrington-Leigh McGill University August 2020 research.wellbeing.mcgill.ca</p> <p>Introduction</p> <p>What decisions confront governments when it comes to COVID-19?</p> <ul style="list-style-type: none"> - How to trade off among income, unemployment, mental health, physical health, public confidence, and other factors? What price should we assign to lives? - How to balance the wellbeing of different groups, including young and old, health workers and others? - How to act on the face of uncertainty? and how to evaluate costs and costs over the next decade? - How to weigh death versus quality of life? <p>While the status quo remains and the uncertainty budgeting, this crisis in some sense presents a perfect example of the value of a life satisfaction framework which can integrate the expert priorities of epidemiologists, macroeconomists, and others.</p> <p>This document has some starting thoughts for reflection on wellbeing budgeting in the (post-)pandemic context, but is a short on prescription.</p> <p>Contents</p> <ul style="list-style-type: none"> 1 What's been learned? 2 Costs to society of wellbeing 3 Data 4 Death 5 We are social beings 6 Non-cognitive skills 7 Decisions: necessary <p>What's been learned?</p> <p>There may be new broad public awareness on issues such as:</p> <ul style="list-style-type: none"> What matters: People may generally have new reflections on what matters most in life, who was missing during the pandemic, what is essential. Deposited: suffering has varied based on traditional predictors of disadvantage. The following have been publicly highlighted: ability to distance at work; ability to work from home; security of employment; pre-existing health; access to healthcare; housing security; housing density; violence at home. 	<p>BRIEFING NOTE (V. 2020-09-27, CLICK HERE FOR LATEST VERSION) 1</p> <p>How can sustainability enter a budgeting framework for human wellbeing?</p> <p>Chris Barrington-Leigh McGill University August 2020 research.wellbeing.mcgill.ca</p> <p>Introduction</p> <p>Facing a crisis of "the economy in the environment" is a genuine life dilemma. It is particularly obvious and represents a debilitating source of cognitive dissonance for the general public. Fostering our future in sustainable choices is naturally compelling. Regardless of the best idea we face, humans need a positive vision of the future to liberate our most creative, analytic, empathetic, open, and prosocial sides.</p> <p>Fortunately, insights about human wellbeing provide for future trajectories which are both positive and feasible (Barrington-Leigh 2017). Nevertheless, these potential benefits of a life satisfaction framework can be lost when resources of progress take on conflicting goals, undermining our ability to advocate for other wellbeing or sustainability.</p> <p>A key challenge is that uncertainty about long term outcomes can overwhelm decision processes in the short term. Calculating or articulating budget tradeoffs between near-term benefits and the most uncertain (likely) and long-run outcomes is doomed to fail when it is not possible to precisely quantify the later side of the equation. Strengthening such issues together presents productive resource allocation from happening in the present, largely by clarifying objectives and dividing resources.</p> <p>This note outlines some prominent approaches to conceptualize sustainable wellbeing and warns against associated pitfalls. I advocate for keeping the notion of wellbeing, and its practical application, separate from a historical approach to ecological constraints. This framework focuses on promoting the compelling objective of wellbeing, while separating out the more preexisting long-run considerations. More (non-technical) detail is available in a 20-page paper.</p> <p>Why life satisfaction?</p> <p>Traditional macroeconomic indicators like growth rate, inflation, or unemployment. Low life satisfaction is associated with energy towards the politicians in the first Trump election and with energy among in France.</p> <p>Based on what is known about the determinants of life satisfaction, it seems feasible to engineer a society with high life satisfaction but which is running down the resources left for future generations. If government policy is to shift towards an accountability to human wellbeing, how do we incorporate ecological health and sustainability into our objectives?</p>
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