The Determinants of Wellbeing:
Insight from Research and Implications for Malta.

The President’s Foundation for the Wellbeing of Society
Department of Economics of the University of Malta.

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The President’s Foundation for the Wellbeing of Society partnered with the University of Malta and the Department of Economics to organise the Economic and Wellbeing Conference. With the support of the Head of Department, Professor Philip Brockdorff, and the President’s Foundation for the Wellbeing of Society Chair of the Community Forum, Dr Marie Briguglio, Professor Liam Delaney from Sterling University was invited to deliver the keynote address for the 1st National Conference on Wellbeing.

The Economic and Wellbeing Conference tackled quantitative studies in economics, psychology and sociology of happiness, wellbeing, quality of life, life satisfaction and related concepts.
Opening Speech from Her Excellency Marie-Louise Coleiro Preca, President of Malta

I welcome you all on behalf of the President’s Foundation for Wellbeing of Society and of the Department of Economics of the University of Malta. I thank you all for being here, and in sharing my enthusiasm for this first National Conference on Wellbeing in Malta.

Let me start by saying that I am very excited about the prospect of bringing together economics and wellbeing. In the run up to this conference, I have learnt of a vast body of research in economics that not only validates our efforts here at the President’s Foundation for Wellbeing of Society, but also sets up an interesting agenda for research that can inform policy making in Malta.

As many here will already know, our focus as the President’s Foundation for the Wellbeing of Society is to promote initiatives that enhance wellbeing. But throughout the world, researchers and policy-makers are still grappling with the major question of how to assess wellbeing and how to chart its progress. What do we mean by wellbeing? Can we measure it? Can we compare it over time? How can we compare it across different social groups? We have answers to this question on many economic variables - like gross domestic product, income, and inflation, but we also need answers to this question of wellbeing itself. The Gross Domestic Product (GDP) is a good measure for economic activity, but it does not capture the impact of such activity on environmental degradation, on community spirit, on work-life balance. It does not adequately capture distribution of income, nor does it capture the wellbeing of specific groups of society, such as children.

This is, in fact, the concrete focus of today’s conference. Our guests, all economists working in the field, will talk about the kind of indicators we use to map wellbeing to complement traditional economic measures. They will also take us through some of the key findings from the research about the factors that cause wellbeing to increase or decrease. On the basis of this body of research, they will flag some important issues that may need further investigation and action in Malta.
It should surprise no one if I say (and our speakers will elaborate on this) that even economic research indicates that matters like health, disability, unemployment, community, culture, and the environment are often found to be key determinants of wellbeing in many studies. These are also the focus of the work of the Foundation. We have, over the past year, launched seven fora, specifically tasked with listening, ears to the ground, to the issues in these domains that could be suppressing or enhancing wellbeing. In so doing, we have sought to ensure that engagement is inclusive, to raise attention to specific areas of concern and to find trends and gaps in support systems that foster wellbeing.

Today’s speakers will ask, ambitiously, what could happen if we made wellbeing the goal of society. What could happen if we shifted the focus beyond gross domestic product and economic growth. Certainly this would see some issues of concern, coming further into the fore. The way we define and measure wellbeing and the research we do about it can determine the kind of society in which we live.

Wellbeing is a goal we can all identify with. It is a goal that brings together many considerations, many interests, many members of civil society and many actors in government. This is evident from the audience here. I have also noted that the conference has already received considerable media coverage in its run up.

I look forward to its outcomes and discussion and to the agenda for future research that it will encourage.

Thank you.
Introductory remarks by Dr Ruth Farrugia, Director General of the President's Foundation for the Wellbeing of Society

Following Her Excellency Marie-Louise Coleiro Preca's opening address, Dr Ruth Farrugia welcomed the guests on behalf of President’s Foundation for the Wellbeing of Society.

Dr Farrugia shared that she was encouraged by seeing so many people interested in the topic of economics and wellbeing. Dr Farrugia stated that wellbeing reflects and incorporates all those aspects which are conducive to happiness. She explained that the main aim of the Sustainable Development Goals, endorsed by all member states of the United Nations, was the furthering of good health and wellbeing for all. The SDGs touch upon a number of wellbeing determinants. They include poverty, education, gender equality, reduced inequalities, peace and justice.

Dr Farrugia expressed the hope that wellbeing should be a constant in the national agenda. She stated that good health is strongly linked with wellbeing, however it is necessary to understand that wellbeing can take many forms. For some it can include the struggle against poverty, for others it infers equality or financial stability. Very often it is a combination of facts that ultimately determines wellbeing.

Quoting Her Excellency in her address at the United Nations General Assembly Dr Farrugia stated that “poverty is rooted in political, social and economic injustices”, noting that poverty is also driven by inequality.

Inequalities continue to impinge on the wellbeing of many, and the situation is not different in the Maltese context. One can think of many examples; gender equality for instance, and access to equal pay for equal work. Dr Farrugia mentioned that inequalities affect gender minorities, people with disabilities, and people from minority groups the most. She stated that the President’s Foundation for the Wellbeing of Society has set out to tackle issues which may hinder or restrict wellbeing, especially to vulnerable groups.

The President’s Foundation for the Wellbeing of Society seeks to approach these different issues and understand them from a wellbeing perspective. This is done using an academic perspective and popular wisdom. By combining
INTRODUCTORY REMARKS

the work of academics and experts with knowledge which is gathered from consultation from people coming from every walk of life, the Foundation finds itself in a very unique position, to shed light on the status of wellbeing in Malta.

Dr Farrugia stated that by creating safe spaces, people come and speak with the Foundation, and they are able to listen, explore, discuss and learn about different ways of enhancing relationships and wellbeing, in a secure and neutral environment. The President’s Foundation for the Wellbeing of Society engages with minorities and marginalised groups and helps them to find their own means of empowerment; whereby the Foundation is constantly learning what furthers wellbeing and what hinders it.

Dr Farrugia stated that the three most salient points from these meetings were that for many people wellbeing is linked with aspects of health. People were concerned with physical health, mental health, and exposure to existing environmental conditions that can impinge on health. The second major factor affecting wellbeing was linked to economic stability. Situations where income fluctuates were identified as a very big issue. For instance, situations where income was affected because of retirement or early retirement, disability, increase in family size, and illnesses, were cause for significant concern. The last salient point affecting wellbeing was relationships. Participants at the Foundation Fora events identified relationships as having a very strong bearing on their personal wellbeing. Dr Farrugia clarified that this was not an exhaustive list, but it gives a taste of the sort of feedback received.

Another issue also being flagged in the upcoming CHOGM is resilience, which can have many dimensions within wellbeing. It can make a difference to the individual dimension but also to the community at large. From an individual aspect, wellbeing can be influenced by instances that threaten our freedoms and our way of life. It can take a form of an accidental injury, for instance, that compromises our livelihood, but from a community point of view, resilience can be linked to natural or man-made disasters that affect our collective way of life, economic downturns, climate change, and many other issues.

Dr Farrugia then moved on to invite Professor Liam Delaney to give his address saying that she is looking forward to more information on Professor Delaney’s work on health and wellbeing, because by making these links she was confident we would be able to place wellbeing on the national agenda for the benefit of all.
2015 Nobel Laureate

- Angus Deaton
- Worked on consumption and poverty
- What makes a person well-off?
- Comparing different countries
- What influences health?
- How do people feel about their life?
Distinguished guests, Members of Parliament, ladies and gentlemen,

It is a real honour to speak here today. It was also a great honour to meet Her Excellency, the President yesterday and to hear about the work of the President’s Foundation for the Wellbeing of Society. I would say that the work that the Foundation is doing on wellbeing will be of interest in Scotland where I’m currently working and where we’re aiming to develop indicators of wellbeing for Scotland. It will also be of a lot of interest in Ireland where I have worked for several years, and I think it provides very innovative ways of bringing many different groups in society together to discuss issues related to wellbeing, so it is fascinating to learn more about that.

My talk today will be on wellbeing, economics and policy. I am an economist and it is surprising to people sometimes that an economist is interested in questions like wellbeing and mental health. I think economics at its heart is about wellbeing of people, it is about how we allocate scarce resources in society to maximise the wellbeing of the different groups in society and society as a whole. Throughout the last number of years, economics and psychology has merged increasingly with one another to look at how people make decisions and also what it is that affects people’s wellbeing. A number of Nobel Prize winners in economics, including Daniel Kahneman, have come from a very psychological mindset and have asked these complex societies we live in; How do people set priorities? How do they make decisions? And how does all of the economic turbulence that we experience influence our wellbeing?

My talk today focuses on how economics throughout the 20th century, and particularly after World War II, developed a number of very powerful measures for planning in society, and for examining how societies progress. One of the great achievements of economics, which again is being recognised in Nobel Prizes, was the development of National Income accounting. I’m going to talk a little bit about GDP (Gross Domestic Product) and GNP (Gross National Product). These are the measures that we speak about in the media and these
are the measures that senior politicians lose sleep over or celebrate when they achieve their targets. We all know that if the economy grows, if GDP or GNP goes up, this is something that we all speak about and it is arguably for many societies the main thing that we target. It was never really intended to be so, as GDP and GNP are not necessarily measures of societal progress. They are measures of the economic activity in a society, and they are very important for a number of economic issues, but they are not necessarily, and even the people who invented them, who are most expert on them, would argue that they were never really intended to be measures of the wellbeing of society. In a sense, it was a mistake that that happened.

I will talk about some of the limitations of these measures, the limitations of economic measures, and then of course we have to come up with an alternative, which is a little bit more difficult. So, we talk about different concepts of wellbeing, and what determines wellbeing, and I think we are not yet at our conclusions by any means in this process. Many countries are trying very innovative things, including here in Malta, to try and come up with measures of progress in society. There is a lot of tension in this literature, people argue about many things and I think my goal for today would be to give that sense of what those debates are and why they are relevant to Malta.

I wanted to begin with the 2015 Nobel Laureates who frequently wear bow ties, so I am hoping that it may pay off. Angus Deaton is a very famous economist, he is one of the main economic experts on consumption, and on what happens to their food consumption once societies develop. In particular, how do you measure the welfare of poor people? And how do you measure the welfare of different countries? Angus is a very deep thinker and asked really fundamental questions about what it is that determines a good life at different stages of economic development, and how the process of economic development influences that. He has asked very basic questions such as how would you compare the wellbeing or the welfare of someone in Malta versus someone in Bangladesh? How would you go about doing that? He developed a number of statistical techniques that would effectively allow you to develop indicators that have been used by agencies such as the World Bank to construct global poverty indices.
If you look at a lot of our measures on global poverty, Angus was instrumental in constructing those. But later in his career he started to ask, even deeper questions on how to measure people’s consumption. We can use complicated price indices to compare across countries, we can rank countries on their percentage of poverty but what really determines the quality of life? I think we all feel this, particularly in wealthier countries where we reach a stage of development where it is no longer just a battle against mortality, we are actually starting to think about what determines a good life, how do we live well and how do we live with dignity. So as Angus’ career developed, and I really encourage you to read his book *The Great Escape* which talks about the evolution of society and how we moved from poverty and food insecurity through getting control of infant mortality and adult mortality, to then asking questions such as “what actually makes a good life?”. Along with Daniel Kahneman, he started to write a number of papers about what seem like non-scientific questions but in a sense, they are very fundamental, “how do we actually feel about our lives?”, and “what influences that?”

As I said, GNP and GDP largely arose after World War II, as ways of measuring the output of society. In particular, during the war, countries needed to have methods to measure the production of society. Throughout World War II these measures became quite advanced and afterwards, they became adopted as ways of measuring the economic output of countries more generally. We can measure GDP by how much a country consumes, how much it produces, but they are all effectively economic measures. I think it would be a big mistake to think that these are not sensible measures and that they are not useful for many things. For example, if you want to have a system where countries lend money to one another, you need to have systems for understanding which outputs those countries have. If you need to understand what kind of planning needs a country may have, or what kind of infrastructural needs it may have, or what type of economic needs it may have, it is impossible to do this without measures of their economic activity.

I can think of hundreds of uses for these measures. If there are people here from the National Statistics Agency I think sometimes it is incorrectly said of those people that they are the problem. They are not the problem. Those
people are measuring something that really needs measuring in society. The problem is then when it gets used intended, which is to measure the wellbeing of society. There are many reasons why the economic activity in society may not necessarily be equal to the wellbeing of society. I would say they tend to be correlated, it is better for your wellbeing to live in a wealthier country than to live in a very poor country but in countries like Malta, Ireland, the UK where income levels are high, the correlation starts to break down. We cannot necessarily assume that just because Malta will grow or Ireland will grow, that the wellbeing will improve.

I did many studies of Ireland when our economy took off. Ireland was obviously a poor country for a long time, and we had a lot of unemployment, so at the start of our economic progress in the early 90s it certainly had an effect on our people’s wellbeing because unemployment was going down. Then by the time you got to the mid-90s you started to see house prices becoming really expensive, economic activity growing increasingly fast and from that point on you don’t really see any increases in wellbeing in Ireland at all, and you see quite significant increases in suicide. At the moment, we are still debating the benefits of economic progress of that time. It was surely beneficial for infrastructure. If you go to Ireland now the roads are much better, but there is still a big debate on the effects of that type of volatility on people’s wellbeing.

As people became frustrated with the limits of GDP, other measures used by the United Nations and other bodies began to be developed. The Human Development Indices (HDI) is quite a simple departure from GDP, and it says: well, we should conceive of human wellbeing as a function of GDP but also of indices such as literacy, life expectancy and so on. Therefore, we are talking about simple measurable outcomes through which you could say that a country whose people are rich but do not live for very long and are illiterate, is worse off than a country that is rich, but people are living longer and are literate.

I think one of the key concepts in this literature is the Easterlin paradox. Richard Easterlin is a famous demographer who is critical of economists. One very famous paper he wrote in 1974 outlined the idea of the Easterlin paradox. The Easterlin paradox is when a country reaches a certain stage of wealth, so
let's say where Malta or Ireland were in the 80s, further increases in GDP do not necessarily translate into increases in wellbeing. He is not saying there is no relationship between income and wellbeing, so if you live in a poor sub-Saharan African country versus a wealthy European country it is absurd to say that there is no difference in wellbeing between those who live in poorer countries and those who do; you spend more time in physical pain, have a much shorter life, and spend more time in food insecurity. These things do affect wellbeing. What Easterlin is saying though, is that you cannot assume that if you take Malta or Ireland’s living standards right now, and if the GDP increases, that it necessarily translates into wellbeing. The experience of Europe from the 70s onwards has been very flat. In essence we have had probably the greatest period of economic growth in human history. It is an interesting experiment to see what happens to wellbeing when countries grow very rapidly. After a certain point, it seems that wellbeing levels off which produces a real challenge for societies and policy makers. So what is it that actually determines wellbeing?

Robert Fogel, economics Nobel Prize winner, outlined an interesting theory on the development of nations. Very briefly, he says that societies go through three phases. In the first phase, society battled with food security, and there are many countries today that still do. Basically, the first phase consisted of a battle against famine. He describes the process of dealing with food insecurity and moving out of that phase as the escape from hunger, so you get this societal process where people develop from regular famines and food insecurity, and at that stage it becomes increasingly urbanised, focused on high consumption, but still suffering from issues such as poor sanitation.

I spent a lot of time working on Irish sanitation policy of the 1800s and of the early 1900s. Infant mortality in Ireland would have been about 20%, right up until the late 1800s and was still 10% even as far as the 1930s. In the cities it was even higher. You had a lot of people dying in the cities from insanitary conditions, poor food, under-developed midwifery services and so on. In this type of society, many of which still exist today, it becomes obvious what some of the development goals are for wellbeing. It is to reduce infant mortality, to increase life expectancy, and we see this reflected in the millennium development goals and many European goals.
Then many of our societies, including Malta, develop into a third phase. As life expectancy increases, infant mortality becomes the exception rather than the norm. We start living into our 70s and 80s and we reach this curious condition that none of our ancestors would have understood, where we have an overabundance of food, our task is not so much to find food, as to stop ourselves from eating too much of it. We have aging societies and increasing prevalence of chronic illness, and mental health becomes more important. The issue arises as you have a large population growing in its 60s and 70s, facing a future where they may have a chronic illness, they may be seeing their loved ones die, where they may live for long periods, particularly women as widows going into their 70s and 80s. You get these societies where complex subjective mental health issues become prevalent; and he talks a lot about psycho-biological aging, in other words the conditions that we face when we are children, then become crucial in understanding how we age physically and mentally.

One very interesting issue for countries like Malta is that we actually go through the phases not separately, but they overlap. We have many people who are in their 70s and 80s now who were born in conditions where food would have not been very sanitised, birthing services may not have been very good and the imprint of your early childhood environment can have impacts on your health going right up to your 70s and 80s. We have this fascinating issue where the 20th century is not yet past. It is still there with us in terms of the childhood we remember, whether it was abusive conditions or unsanitary conditions and so on, so you get this very interesting overlap. I think that is where we are in countries like Malta and Ireland, just trying to work out how we measure wellbeing in those types of societies.

In this regard, there are different concepts of wellbeing. However, one main concept of wellbeing is about consumption, so we measure the consumptions of society because we would argue that wealthier societies are better off than less wealthy societies. I think this idea is related to the economists’ concept of quality, which we call a quality adjusted life years. It is not so much just how long you live but rather the quality of the life that you live. The aim in society is not necessarily that all live to a 100 while spending the last 20 years
of our life upset and in pain, but rather that we live lives where we have high levels of wellbeing all the way through life. I think even the most traditional of economists have now accepted that we need to adjust the way that we look at life expectancy as a measure of society. I think it is fair to say that there is near consensus on that view. If we take on every basic measure of the welfare of society, it would be quality-adjusted-life-years. In other words, not only do you live to be 85 or 90 but right up to the very end of life you have got good functioning, good social relationships and so on.

Happiness is often operationalised by asking people “how happy are you?” These are subjective concepts, and in essence there is an element of unavoidability about this because ultimately happiness is a subjective concept, it is something that somebody feels and they have to tell you. Then things like life satisfaction, where you ask people “how would you evaluate your life?” You may consider somebody who is climbing Mount Everest on a day-to-day basis may not feel very happy, they may feel very uncomfortable, but they may feel very satisfied with their life, in the sense that happiness is not necessarily the goal of your life, it could be one aspect of what you intend to achieve.

Another measure is the flow of wellbeing, which is the extent to which your day to day life feels like it is a good experience. This could be affected by momentary things, as I said such as traffic or interactions with co-workers and friends, and so on.

Then there are even bigger concepts of wellbeing, which I think are worth discussing, such as purpose and meaning in life. Does your life have a purpose? Are you flourishing? Would you say that you are having a meaningful life relative to the way that you have conceptualised your world? Our wellbeing tends to be very determined not just by an absolute standard but rather relative to other people, so when we try to measure wellbeing you often need to know to whom people are comparing themselves. Your in-laws, for example: are you happier/doing better than your brother-in-law or your sister-in-law? Your neighbours? I think another goal for many societies is that there is an intergenerational progress. Even if you are a wealthy society, if this generation is doing worse than the previous one it can be considered that it
is a backward step, even though you may still be well off. For many people being better off than you were before is a very important objective, so we compare ourselves to our past.

The final concept which Dr Fogel touched upon, and it has been instrumental to my own work, is to look at mental health more broadly as a metric of societal progress. There is a volume of work that I will talk about that looks at the importance of mental health in the context of economics.

In terms of the determinants of wellbeing I would say it is incorrect to say that income does not matter for wellbeing. If you are on very low levels of income you will experience food insecurity, you are more likely to have severe chronic pain, in relation to illness, and you are more likely to eat food that will make you ill. There is a relationship between income and almost any measure of wellbeing because income allows you to purchase things that can improve your wellbeing. Estimates vary from country to country, in America, some of the studies say that a decent income is in the region of $50-60,000, in Europe it is probably more like €20-30,000. However, there is absolutely no guarantee that if your earnings move from €30,000 to €50-€60,000 per year that your wellbeing will improve. I am sure that if I offered you €30,000 extra you would say yes, people certainly demand increases in income, they work for it, but whether it translates into wellbeing is an open question.

There are all sorts of psychological reasons why you would focus on income: society, advertising, peer-pressure, it is a very simple thing to measure; even as a person you could focus on and view it as a target and feel like life has progressed but there is no guarantee that it will improve wellbeing. People tend to be more worried about losing income than they feel good about gaining it, and as their income increases they call it the ‘status treadmill’. You habituate these extra levels of income, so many of us, for example, are wealthier than we would have expected to be when we were children, particularly, but you are not. This has been a tough few years for you, but for the older people, we had very rapid economic progress. If you said to yourself when you were a child you were making this amount of money, you would have assumed that you would be deliriously happy. But what happens
is that as your income increases, you habituate to these increasing levels of income, compare yourself to other people and we are effectively on a 'status treadmill' where you are constantly trying to do better than other people.

The main determinant of wellbeing is health, health is wealth. The main statistical determinant of people's wellbeing is their physical health, and of course mental health because it is bound in wellbeing and it has a very strong impact on it. I have done a lot of work on unemployment, and it is not an exaggeration to say that being made involuntarily unemployed ranks about as high as being divorced, or a chronic illness, in terms of a life event that causes psychological distress. It is a major disruption to people's life and it has effects on wellbeing that cannot be explained by any economic variable. It is not simply the loss of income, it is not loss of wealth. It causes a disruption in people's social identity and the expectations of them and it is self-perpetuating. Many people do go back to work, but many people do not, and there are a lot of variables in between that determine that.

Malta has an advantage of being a very cohesive society. For the most part, people have a lot of social relations in terms of talking to one another. People like catching up, so loneliness is one of the epidemics of our age. We have developed into societies where there is a lot more mobility both in terms of geography and of jobs. The amount of people who are aging without having any social contact at all is increasing, and this is one of the key issues for wellbeing.

There are many other factors that determine wellbeing. Age is a statistical average, as it seems to be the case that young people are pretty happy. As mortgages, pressure, and everything else kicks in, wellbeing starts to decline. If you are in your mid-forties life is going to get better from now on if you believe these statistical averages. So as people get older they tend to get happier again, but as I said these are statistical averages.

Environmental goods, like coastal areas, trees and so on, have a large effect on wellbeing. The one thing that we are starting to understand a lot more in economics is the importance of early childhood environments. Abusive or
neglected early environments affect not only people's wellbeing, but also their economic output.

In terms of national indicators, there have been huge efforts across the globe to try to quantify wellbeing. One way to do it is through surveys measuring life satisfaction and happiness by asking people how happy they feel, and then using statistical models to try to understand what the correlates of that are, and what causes it. Organisations like GALLUP have done surveys in the Maltese context and all around the globe. The European Social Survey which also operates in Malta, and the World Value survey are other examples of this model. These are the kind of statistical exercises that ask people how happy they are.

There are also broader exercises such as the OECD measure life index, which includes Malta as well. This includes traditional economic measures and a vast array of other measures, such as the quality of health services, the quality of environmental services and so on. The OECD index is trying to allow policymakers in different countries to come up with their own indices weighted by what values their own citizens have on those indices. They do not present one number, but rather present hundreds of different measures of progress. In this sense, it is a very useful exercise. We have been doing it in Scotland and in Ireland; we look at the measures which are doing particularly well, and which measures are not doing so well. Statistical agencies in some countries, including the UK, have started to measure the wellbeing of the population in large samples. It is still debateable whether this is something that statistical agencies should be doing, but it gives us very fine ground data on regions.

One of the best and most developed indicators has been the Canadian index of wellbeing. The Canadian Index of Wellbeing is a multidimensional index that looks at wellbeing across a number of different facets in society, and examines how that progresses and compares to GDP. There have been a number of other exercises similar to what the President’s Foundation for the Wellbeing of Society has set out to do such as the Carnegie Round Table in Northern Ireland. This is set in a conflict situation, so in that case, they can bring together stakeholders from all across society to examine what are the factors that people value in terms of their wellbeing. This would be one
way of doing it. The Canadian Index, which looks across metrics, such as education, the health of the population, the quality of social participation, how active people are, how much they get to socialise, the quality of their democratic engagement, the quality of employment - not just that people have jobs - and the unemployment rate. Often we are interested not just in the unemployment rate but in job security, how happy people are in the job, and whether it is a full-time job or a part-time job. In many countries we have got a reasonably low unemployment rate, but when you actually survey people, many are in jobs for far less hours than they would want to, or in other cases working more hours than they would want to. Certainly, you have phenomena such as underemployment and insecure employment. These are measured with respect to community vitality and the quality of transport networks. This is the research that has come closest to providing a measurable index that perhaps might be used in the democratic accountability exercise.

When you look at the Canadian GDP, like many countries, including many countries in Europe, you have a very rapid increase in GDP throughout the 90s, and then a fall at the time of the financial crisis, but an increase in living standards that really was not keeping pace with the economic growth. So, you had a very large increase in economic measures but an increase in quality of life measures and general standard of living measures that was progressing at a much slower rate.

We had something very similar in Ireland, and the tragedy in the Irish case was that we understood it way too late. We started to understand it after the crash. It is still not at all clear whether the extra money that we were getting from the economic activity was being translated into things that were actually improving other people's wellbeing. I would say that this is one of the key tasks of this literature; to find ways that we could track societal processes. There are many ways of doing it, and I think the Canadian and various exercises in Australia and other countries give us at least a very good start for countries like Malta, Scotland and Ireland. We are currently in the process of developing an indicator like this for Scotland. I think you may probably see why this is useful in a democratic debate. We do not believe that one number can capture everything in society, but it does provide the basis for a very strong
debate about what we actually think are the benefits of economic progress and then we can move on to answer questions such as: in what areas are we experiencing flat or negative growth? And I think that is a very useful basis for an economic debate and a broader societal debate.

As I said there are many tensions in this literature and many debates, as you would expect there to be. It is about the basis on which society should be governed and measured. If you take a very narrow view on wellbeing, if you just focus on the wellbeing of people in the immediate, there are moments where this can be at odds with sustainability in terms of the environment and this may cause tensions between wellbeing and environmental sustainability. However, there are many complementarities between environmental sustainability and wellbeing. There are many reasons why maintaining and sustaining the environment would make people better-off. At the same time, there could be tension with very short-lived things that make people happier, yet degrade the environment.

When we ask people about their wellbeing and their life satisfaction, we need to be careful about expectations. If people have grown up in a society where they did not have access to democratic freedoms, a stable and comfortable income, had abusive upbringings, and lived in environments where they really did not expect much, it may not be surprising that they say they are happy with what they have, if that is what they are used to. We create a problem if we employ wellbeing measures without the degree of sophistication: in that case we would simply embed the expectations of society into our policy.

Amartya Sen and many other thinkers have argued that a simple measure, that is, asking people how happy they are or what their life satisfaction is, could fall prey to what he calls “the happy peasant problem”, which basically means that if you have never had any sort of comparison group, you may be happy with whatever you have been given and you can even imagine situations where a policy maker would, instead of improving society, simply reduce expectations, which would not necessarily be a bad thing in all cases. There are issues in which wellbeing and economic freedoms coincide. We
see this in particular with the regulation of different types of unhealthy activity and different types of environmentally degrading activities. There are clearly things that would improve societal wellbeing but maybe at the cost of restricting different types of business activity. I think those are judgement calls: political judgement calls rather than things that you can do from science.

As the philosophers in the room would be able to tell you, there is clearly a debate between wellbeing and social justice. If you try to maximise the wellbeing of society as a whole that can be at odds with the wellbeing of particular groups in society, and I think this debate is not about trying to maximise one measure of wellbeing but rather looking more broadly at the wellbeing of different types of social groups.

I said I do not think it is possible in a democracy to come up with a simple measure without consulting different groups in society. Most societies would have something more to their values than simply the development of happiness. I think happiness, if it is to be a goal of policy, needs to be broader, and a goal more tailored to the culture that it is in, rather than thought of simply as a universal goal.

I think there is another issue about the accountability of elected officials. GDP has one advantage to it as a measure of wellbeing. It is very easy to make a politician accountable. You achieved an increase in GDP or you did not. Can we see a day when a politician will say “GDP did not increase but the people are happier”? I think you can. I really do think you can have a day where we will have broader measures of society where a politician could stand up and say, “I have a democratic mandate to improve the welfare of society broadly defined not just by the GDP, and we did manage to achieve that”. I ultimately believe that until you interact with democratic process like that, the GDP will always be the measure. For example, in the UK when growth was very flat many politicians were talking about wellbeing. Now that growth has started to take off again, no politician is talking about wellbeing, and you can understand why that would be the case. I think this is not to say that politicians do not have wellbeing and society at heart but it is to say that if it is to be used as a measure, it needs to be a measure that is communicated in society and used to hold people accountable.
I think it is also fair to say, we lose something in quantifying something that is really personal, and we should recognise that. We all have an intensely personal biography, things in our lives that are psychological and idiosyncratic that cannot simply be captured by a number. I think that if we talk about this in the wrong way it makes it look as if we are reducing humans to a very simple score on a scale from 1 to 10, but I think that is not the case. What we are trying to do is to come up with a measure that allows you to replace the GDP with something more flexible. So, if you take the GDP as a measure of welfare it is reduced to a set of production units. I would rather it be reduced to a set of scores and wellbeing index causes, at least that brings in many other factors of my life, but any of these measures alone do not capture the personal nature of human beings.

Let me just finish with some points about pragmatism. I think that it is unlikely that we agree upon a perfect measure of wellbeing, and it is not something we should really aspire to. It is something which we are always debating in society because it is about what you are trying to do as a society; and it will change with the culture, it will change as society changes and so on. Some of my economist colleagues say we should not embrace this agenda at all, they still believe wellbeing is a wrong term. I would say the alternative is to simply go with economic measures; and we admit, particularly in wealthier societies where we have all these new complex problems we depend too much on GDP and GNP; and it allows us to make policies that would increase economic growth but not necessarily human wellbeing.

So I think it is not about having a perfect measure, it is about recognising that wellbeing brings a lot more to the debate. There needs to be democratic deliberation. We need to facilitate broad representative discussions of the components of welfare. I think we need a democratically agreed upon measure of wellbeing since to maximise a crude measure would be problematic. Another goal of this literature should be to identify needless causes of misery. There are many things that happen in the economic cycle that cause people to live very poor lives, and one pragmatic goal of this is to understand economic policies that could destroy the lives of people and ways of pragmatically avoiding that, while identifying pragmatic ways of improving wellbeing.
I will conclude with some policy issues. As an economist, what I have learned from wellbeing, is the importance of the role of mental health services and the role of mental health more generally. We now move to a stage where economists and mental health professionals are arguing for parity of mental health services with physical health services. Given the debilitating effect of mental health on people more broadly, they should have a parity in the health services with physical health services, which is now a principle in place within the NHS.

Mental health has an effect on people equally and often as high as or higher than chronic physical indices. There may be a productivity argument for wellbeing, but I do not want to over-do that, because I think wellbeing is more important than just productivity. However one of the biggest causes of unemployment, and the biggest thing that generates low economic activity throughout life, is debilitating mental health. We all know people who are very skilled, very clever and have had debilitating mental health problems that have disrupted their career, disrupted their education and so on. I think the role of mental health in economic progress needs to be looked at.

The investment in early childhood education is just as important. James Heckman, the Nobel Prize winner in economics, has pushed this agenda hugely throughout the world. We get a return on early education that is higher than any other investment. It is higher than the investment in roads, it is higher than the investment in any economic activity. It is the best thing that society can invest in for a whole range of activities and you cannot measure that purely with economic productivity, although even economic productivity is improved.

Environmental and urban design policies have effects on wellbeing that are on top of their effects on productivity. What I have learned is we need to teach this in schools. What I can say as an economist is that learning about the complexity of society - and students need to know this – is that it requires more than just intelligence. It requires more than just skill and memory. It requires emotional intelligence. Children are living in a world where they will frequently move jobs, they will handle rejection, they will have to live in worlds where we are moving around a lot. The role of emotional intelligence must be seen in relation to children in schools, because it becomes one of the biggest societal factors that this agenda brings out.
If we look at the determinants of wellbeing, the role of employment and skills policy, the biggest economics determinant of wellbeing is unemployment. So, unemployment has large effects on wellbeing that equal chronic illness. And we have yet to work out how to train children with the fact that they may live in environments where they experience layoffs, job changes and so on. We are not really training children for that type of world.

Finally, we live in a world where you can bankrupt yourself very easily, because we have had financial innovation that allows people to bring huge amounts of their future income into their present. And we teach financial literacy to an extent in schools, but actually what we really need to be teaching kids is the emotional maturity to deal with financial innovation that can leave them in debt and in really poor psychological states early in their lives.

So as I said, there is a really vast agenda that comes from this. It is a very exciting time to be looking at.

Thank you very much.
How can wellbeing be compared given issues of social justice? (Student, University of Malta)

Professor Liam Delaney replied that this issue goes back to an old discussion in philosophy about whether you maximise the wellbeing of society as a whole or, for example, focus on marginal groups. “Imagine it was very expensive to help a particularly vulnerable group and that you could achieve more wellbeing by using that money on less vulnerable people. So, for example we tend to get cases where if a teenager, a 16 or 17 year old has had a really really bad life, it can be very expensive to help them; and may sometimes - from just a purely wellbeing perspective, if you just look at the average wellbeing - it may be economically more efficient to spend the money on other groups, but social justice would say, “Well, actually you need to take into account that this is a very vulnerable group”. So, I think that is a question of priorities, and there is another reason to be cautious of using the number as a whole. As Dr Farrugia pointed out, you really need to be aware of the vulnerability of different groups of society with these measures.”
**DISCUSSION**

**Can the definition of wellbeing and its measure vary for children, adults and elderly?** (Lecturer, University of Flanders)

“This is a fascinating question. There is a life course to wellbeing which, if you take the same measure, does vary across the life course, but I think the question you are asking is should we have different wellbeing measures for different ages? And the answer to that question is yes. So there are well developed measures of child wellbeing, for example, even for young children obviously asking them, some of the questions would not really be relevant to them if they do not understand the wording. Then for older people, various groups such as the WHO have developed multi-dimensional aging index. I have worked on the European Aging project, and some of the ways we were looking at wellbeing would have been to look at the amount of contact you have with other people as you get older. I mean one of the best indicators of wellbeing for people well into their 80s and going into their 90s, would be to ask them what they are looking forward to the most. So what these people have tried to do is to find ways that distinguish between high functioning older people - people who’ve experienced a good life, particularly as you get into the oldest old – and people who are in their midlife, amongst others. There are also separate indices for people with different types of disability or functional limitations, which again try to take some of the normal subjective questions, such as “how happy are you?” and supplement them with very fine questions that recognise the nature of any limitation they might have. I think you have to do that.”
The Commissioner for the Promotion of Equality commented that people’s expectations differ considerably. There may be people who are never happy because their expectations are very high, so whatever happens in their lives they also want more, not necessarily money but better careers, or a better life with their children. She asked Prof. Delaney, “How do we account for different expectations in people?”

“Ireland is somewhat like Malta, in the sense that if you look through the 80s and 90s on measures of mortality and so on we were doing less well than let’s say Sweden and Norway but on subjective measures of health, people were saying that they were very healthy. So I used to do some interviews for the aging study, and I remember one woman, she took off her oxygen mask and she said to me “I’m in excellent health”. Now, from her point of view... I mean, you have got to think about expectations in two ways. One is, if she was dealing with her health problem in a way and still felt good about it, then her issue in excellent health, in a sense, was her view, so you do not want to discount it completely.

Having said that, if people have come through societies where people at random are dying, and where they have witnessed violence and atrocities, then they will have lower expectations, and may score higher. People like Amartya Sen have made the argument that we should only use more objective measures such as legal rights, access to education, and democratic participation, whilst ignoring subjective variables. The argument is that if you look at the progress in a society based on objective benchmarks, whether people are happy or not is not necessarily the issue.

The counter point I would make is: expectations are a factor, but we know there are circumstances that reduce people’s wellbeing reliably; and we learn a lot from those circumstances. So take unemployment. People’s wellbeing drops dramatically after they become unemployed and remain down all the way through the length they are unemployed. Their wellbeing remains low for years, even after they find another job, when compared to others.
I think that if we were to take Amartya Sen’s argument to an extreme, we would leave out this important subjective component. There are things in society that we should value more. Mental health is another good example, and I think it has economic policy issues. So for example my colleague David Blanchflower said that in Europe, we have prioritized inflation too much over unemployment. We have got a situation in Europe now where inflation is practically zero but youth unemployment would be 50% in some countries; and if you look at the wellbeing of young people in those countries, it is really low and mental health problems really high. He would argue that there is no other economic way that you can say this other than it is really bad for these people’s wellbeing to adopt the types of policies we have been adopting in Europe at the moment.

Let me just conclude by saying, we should try to deconstruct wellbeing into expectations and objective factors. There is no full way of getting rid of expectations because actually they could be a component of wellbeing. There is a big debate in Ireland that we are among the happiest people in Europe, even though throughout history health would have been lower, and even economic activity would have been lower, but you go to Ireland, and people do tend to be happy. There is a lot of social interaction, like in Malta, people know each other and there is a lot of wellbeing in that. I have not fully answered your question, but I would say we need to recognise expectations but not focus on that alone.
The Commissioner for Mental Health remarked that Prof. Delaney’s recommendation on establishing parity between mental health and physical health is very close to his heart and it is something which he fully supports. He stated that he was particularly disturbed by a statistic published by the Ministry of Education, which states that 25% of school leavers leave school without any qualifications. He mentioned that this may impact the future wellbeing of our society and he encouraged people to start reflecting and act on this. The Commissioner also spoke about health literacy. He said that in a survey on health literacy, the Office of the Mental Health Commissioner found that health literacy is worst amongst people with low self-esteem. He acknowledged that these findings came as no surprise but this should make us look at how health fits in with people’s wellbeing within society.

Professor Liam Delaney replied by saying that mental health is an important factor, which affects the wellbeing of many people in our societies. “We need to have a discussion, in all countries, about mental health. It is something that has evolved in an uneven way in different countries. In Ireland we have world standard provisions in some areas of physical health but a lot of gaps in mental health services. In the UK they have made the move towards parity, in principle but not necessarily in practice. When I look at the interactions between people’s economic activity and their mental health throughout life, I predict that mental health in adolescence forecasts unemployment right through life. As a University academic, I witnessed a substantial amount of students over the years who were top class students, who had a mental health episode in their first year or two, and barely graduate with a degree. Even in the workplace setting. In our current workplace environment, in most of Europe, if you have a mental health episode, one day after 10 years of perfect productivity, you suddenly shout at somebody and that could be the end of your career. We have not developed functional ways of dealing with this. We have bodies of law but they are unevenly applied.

We had a talk, recently at Stirling, from a woman who is an expert in mental health provision in the workplace and she told stories of people being fired after revealing they suffered from depression. We see these things happening all over Europe, and you think, this is not how a mature society deals with something that about a third of us are going to face in our lives.
A member of the audience commented how sometimes we forget to look at wellbeing from a localised place and we forget that wellbeing is relative. We forget that immediate comparisons of wellbeing can easily be made with our own neighbours.

Prof. Delaney replied that there was some great work done on this issue in the 90s. “People may be familiar with Robert Putnam, who looked at social capital. It is a funny phrase social capital because it is a social and an economic word combined. It revealed something very relevant to people’s wellbeing. It is about whether people can trust their neighbours or whether they like the people that they are around. As somebody who thinks that we do not want to be sitting in our apartments with a really expensive iPad and security on the door, you want to be in a place where you like the people around you, and you feel that things are going well on the social front as well.”

A social psychologist from the University of Malta stated that public holidays impact on happiness and wellbeing of people. She explained that people describe public holidays with glee. It is often the highlight of a month. People look forward to the public holidays. She asked Prof. Delaney if any research has been done on the relation between public holidays and wellbeing?

People might be familiar with a piece of work from the 1960s, which asks “what’s the optimal timing of the working life?” I think there is actually a lot of discussion about how you might face the working week, what type of holiday structure would make people well-off, what type of hours etc. There is a connection between wellbeing and productivity. What type of working hours would improve concentration? I have been doing some studies looking at the proportion of time workers sit at their computer clicking refresh on their Facebook status, and that is becoming a large aspect of western productivity. When people lose concentration, they start clicking at a file. I think it is a good opportunity to think about different types of workplace wellbeing programmes that could work for your staff.

In terms of public holidays, even with some of the data that is available, it is testable to see whether everybody taking a day off at the same time might be a good idea. I would love to see the research carried out to test this scenario.”
A participant from Richmond Foundation inquired about the relationship between abusive upbringing and economic data.

Prof. Delaney pointed out that if you look at the wellbeing of people throughout their lives, you will find that upbringing is very important, particularly in an environment of abuse and the effects it has throughout their lives. In terms of their economic life, education is disrupted, movement into the labour market is disrupted and their ability to acquire wealth is disrupted. Delaney stated that most of the time people coming from a troubled background get to pension age and they have far less savings, they are far less likely to have acquired property, and they may have more disruptive relationship problems. Prof. Delaney stated “Now that is not to say that the only reason one should secure childhood is to improve their economic activity, but it is to say that there is a complex interconnection between economic life and early life. And I think what people like Professor Heckman, who is the leading figure on the economic side, would say is that there is a return to investing in securing disadvantaged children that is both in favour of justice, because it is a good thing to do generally, but there is also an economic benefit because people who have abusive neglected environments have far lower economic productivity, are far more likely to interact with medical services, police services, etc.”

Prof. Delaney concluded by saying that we need to be careful not to adopt a limited perspective, child welfare has a lasting impact on many issues including the economy, and we need to focus more on it.
Thank you all for coming back. What I will be doing in my talk is to refer to some wellbeing literature research and then apply it to Malta. I will be also referring to certain trends which are relevant in this context. Mainly, I will try to carve out a research agenda or simply some interesting questions which we could be asking. Before I start, I really want to thank the President’s Foundation for the Wellbeing of Society for being so open to this agenda and for embracing it, and also the University of Malta for its support. We often hear news, or read headlines like “Malta ranks low in physical wellbeing”, “high in financial”, “best place to retire”, and so forth.

What is going on? What is informing this study? What data are they using? What is the difference between one study and the other? To answer these questions I will, first of all, say a few words on the measurement of wellbeing. We have already heard some points on this from Professor Delaney. I will reiterate some of those points but apply them to Malta. Next, I will ask what causes wellbeing? What determines it and what suppresses it? Once again, I will refer to the international literature, looking at trends in Malta to try and carve out a line of inquiry. After that, I’ll be looking at what the literature already tells us about what this means for individual behaviour and for policy, and how this applies to Malta. This talk is not just informed by the literature or trends but also by what has been going on in the Foundation itself. In the Fora, for instance, we have had several meetings with stakeholders about this. So, how can we measure the extent of wellbeing in Malta? One very simple single item measure, widely used in all the world’s largest surveys asks: How satisfied are you with your life all things considered? Normally this question is followed by asking the respondent to rank from 0 to 10. In Malta's lifestyle survey, we have a 5-point likert scale. This question encompasses broader aspects of a life well-lived and is based on self-report. Answering this involves some kind of thinking, a cognitive approach - as opposed to the emotional ups and downs that people go through, day to day. Yet people seem to be capable of going beyond their present moment and they tend to come up with their own sum of all the domains that affect their wellbeing. In general, when using this type of question, we find a bell-shaped distribution with a
skew towards the “happy” or “very happy” end of the spectrum. This is also true for Malta. In the Eurostat happiness map, the distribution of scores is made on the basis of this question.

When wellbeing is measured in this way, Malta typically scores an average. Further studies can be undertaken to ask how Malta compares in cross-section and over time, and what kind of data explains fluctuations in time and cross-section. One of our students in economics is actually doing this kind of dissertation of comparing Malta’s wellbeing to that of other countries. Using this data, we can also look at Malta between 2004 and 2015. What is interesting is that the fairly satisfied remain really stable. Indeed, more or less 50 percent of the Maltese public will report they are fairly satisfied, though this does not mean they are the same 50 per cent. What is particularly interesting is to look at what happens to the trend lines “very satisfied” and “not very satisfied”. Here you can observe some seasonal peaks. For example what happened in the summer of 2013 - three months after the election? Do the spikes in both directions have anything to do with the national election? This is a hypothesis that remains to be tested. What is really interesting for policy makers is whether it would be possible to reduce the “not very satisfied”. How do we get that segment to shrink?

If we were to plot the data of how people responded into a histogram, you would notice that the majority of people in response to the wellbeing question say “eight”. Despite the seeming difficulty of assessing your life on a number, people do play ball, they do respond. We know that there is some noise, that there are people who prefer not to answer, who refuse to answer or who say they do not know how to answer. However, for the most part, this is the trend we see. Notice the skew towards the higher end. This is actually data from Malta in 2013. The data was collected by a student, who had a sample of 800 Maltese people. Although it is not representative of the population, you will notice that it looks like most histograms. The question again is: Who are the people ranking so low on wellbeing? Why are they ranking low? Is it high expectations? Is it personality? Or is it some determinant which we can actually do something about? We can do something about personality in early childhood, perhaps, but there are low-lying fruit to be picked to improve wellbeing. This is not to say that the happy segment of the population is not
interesting. They are interesting too because something is going well in those segments, and also because we want to ensure we do not harm wellbeing by suppressing the positive determinants.

Life satisfaction is one way of measuring wellbeing. We could, instead, be looking at happiness or pain as definitions, or we could be looking at more sophisticated measures which combine several domains. One thing we could ask is this: in mapping these different measures of wellbeing in Malta, where would there be a difference? Would the people who are satisfied with their lives, and who have reported high on that, also report high on happiness or low on pain? Wouldn’t it be great if we were to know how much noise there is in these different definitions of wellbeing, and therefore, by corollary, how reliable each of these measures of wellbeing are? That would be a very nice map to see of Malta. In fact we have a Masters student in Economics who is examining this very question. We could also consider measuring the multiple dimensions of wellbeing in a more sophisticated way. This happens in the Gallup survey which entails about 145,000 interviews in 145 countries. Happily, it includes Malta too and, with a minimum survey per country of 300 we can actually employ the data in research. You may not be able to run sophisticated models, but you can at least compare Malta in cross-section. So, in this survey, they ask people questions about relationships, economic wellbeing, the environment, the sense of purpose of physical wellbeing and vitality. They then map these questions.

So how does Malta fare here on this sophisticated measure, which is used worldwide? Looking back at the data across the world reveals Central America and Panama at the top and Afghanistan at the bottom. Just as we are right in the middle geographically, we are also placed somewhere in the middle and towards the top end when it comes to this measure. We are number 42. We would be actually a lot higher than that were it not for the fact that we score 98 on physical. So we are doing really well on social, financial and on community wellbeing domains. But we are not doing so well on having a sense of purpose and on physical wellbeing. Now, we can unpack what “having purpose” means and that’s an interesting question in itself. However, the physical aspect is unpacked and ready and we know the problems are there: we have got high rates of obesity, anxiety, obesity related diseases,
diabetes and environmental health related illnesses like asthma. That is highly interesting research agenda. We could ask is the increased economic activity actually casually related to stress for example or to ill-health? Or is it just coincidental that these two are moving further away from each other?

So, now, here is a figure that shows a typical plot of how GDP increases while life satisfaction levels out over time. In Japan, for example, GDP grows but life satisfaction flat-lines. There may be other pressures pushing it up and down but these are the averages. So what could be decoupling GDP from wellbeing in Malta? If we want to do this kind of analysis in Malta, then we need to be able to look at data for the population of Malta, we are going to need more than the 300 observations, and we are going to need data over time. We have national accounts which are published regularly. They are interpretable, comparable, and memorable. As a result we talk a lot about Gross Domestic Product (GDP), which is a convenient measure, but which is not necessarily related to wellbeing. If we want to understand wellbeing, then we need to do better than GDP. Fortunately, there are other countries which have done this, and there are supra-national organisations which have produced guidelines: OCED, EUROSTAT and Beyond GDP, the United Nations, with their World Happiness Report, France and the Sarkozy Commission, UK and their Stiglitz Commission, even the USA have been doing this since 1972. There is also the more elaborate Canadian index of wellbeing. This offers Malta a good place to start if we wanted to improve our national accounts with this kind of data. In fact, this, in itself, could be an interesting line of inquiry for an economist or a statistician. It is a meta-data type of research: how do we improve measurement in our national account?

I think I have said enough about measurement and the need for data. So let me just come to what we know about the determinants of wellbeing. Then let us examine whether we can explore some questions on that.

We have already heard about income and we know that, beyond a certain level, it does not (at least in time-series analysis) generate higher wellbeing. Factors like habituation, social comparison and unobserved factors come into play. We also heard about employment being a very important determinant. Another related determinant is education, which pushes other factors such as
employment. Also related to income is charitable giving. There is a really nice literature about this, about volunteering and giving. It is not just that people who are happy volunteer, but also that volunteering makes people happy. For many people here, who are in some voluntary field or other, this too is a very interesting line of research: what are the wellbeing benefits of volunteering, to the volunteer? Is there scope for enhancing wellbeing by encouraging more voluntary work? Within this income-employment-education cluster, where else could research in Malta focus? We have fairly low unemployment, but the risk is there, underemployment exists and the distribution of hours of employment is an issue. We could really do with some studies on the implications of long working hours among males in Malta - we have among the highest working hours for men in Europe and among the lowest working hours for women in Europe. Redistribution of hours could possibly make a difference. Another related area which merits research, is the effect of wealth. We could also explore the effect of Malta’s thriving property market on wellbeing - both positive and negative.

Even though we we score high in social connectedness, which also influences wellbeing, let us not take anything for granted. Having the time and space to be a community are on the decline. Crime is a big issue in the literature on wellbeing and, while we do not have high scores on crime there are pockets where crime is an issue. A recent paper looked at crime during feasts for instance. Turning to governance as a determinant of wellbeing, we could examine the effect of our very popularised politics, and whether addressing this divide could yield benefits. The literature tells us that religion correlates well with wellbeing and we can imagine a number of reasons why this would be so. What is interesting in Malta is that different religions are now present as our population becomes increasingly diverse. The literature tells us that being in a minority religion correlates quite strongly with lower wellbeing. Wellbeing among migrants certainly merits analysis.

Among other issues that influence wellbeing are pollution like noise and air quality. These are areas to watch out for in Malta in terms of their effects on wellbeing. We know that we are exceeding air quality limits, that we are the noisiest people in Europe (scientifically!). We know that we have very little open space per capita. Anybody who is excited to find results would
probably find them in these domains. It would be particularly interesting to find whether living in a noisy country is harming our wellbeing, and if not, why not. Needless to say, traffic is one environmental issue that merits research. I myself am supervising three dissertations in different faculties on traffic. I do not need to encourage anyone to do research in this field because it is there. However, what is interesting are our extremely high rates of car ownership, as in - top of the world - ranks and also the trajectories of are somewhere around 10,000 cars per annum in a fixed pool of area. What that does to wellbeing has also been documented. So, here again, besides the productivity issues (which Dr. Von Brockdorff has studied) and the environmental issues (which are well documented), we now have a wellbeing implication too.

I am going to be moving quickly through the other determinants, which we have spoken about, like disability, health, marital status, and having children. Just one thing I want to say there, that we have mentioned, is that there is evidence of decline of wellbeing for when children are in their adolescence. I have a 7 year old who is going on to 16 and I can very well identify with that. It is also worth considering in view of the fertility debate in Malta, that low levels of wellbeing are captured among people who have a fertility issue. Also, as our society changes, aging has become an important issue, and, as divorce legislation has come in we could also examine its wellbeing effects.

An emerging component of literature seeks to ask what this wellbeing literature means for personal decisions and policy. The UK and the New Economics Foundation commissioned a project overseeing the results of about 400 scientists. This is what they suggest Government should be promoting: really simple and not sophisticated things to enhance wellbeing. These include more exercise, continued adult learning, and improved emotional awareness, more social activity including being outdoors and volunteering. There are no real surprises there, because we know this is what really does tend to make a difference in our personal lives, and they are very easy to promote! The return on investment on these types of activities could surely be examined in Malta. We talk a lot about return on investment on a tunnel on a road, but what about investing in this type of activity or of policy and interestingly also, what is it that reduces the optimal uptake of exercise? If exercise is so good for wellbeing, why don’t people do it? If volunteering is so good, what is stopping
people from doing it? So, the motives and barriers to achieving wellbeing are a very very interesting line of investigation. So why don’t people do what makes them happy? This is a beautiful agenda in behavioural economics - the mismatch between what people want for themselves and what they actually do. It becomes especially interesting when you start picking up really clear patterns in behaviour. So do the Maltese know what makes them happy? What are the forecasting errors that we make? In which domains do we make errors when we forecast? How happy will people be with a certain decision regarding loans, working hours, food intake, exercise and volunteering?

In conclusion, why do we need a wellbeing agenda for research in Malta? We need it to compare different demographic groups over time, to compare Malta with other countries, to contrast the different multiple layers of wellbeing, to evaluate policy (not just against employment and GDP and not just after five years in an election) but throughout, to evaluate the relationship between governance and wellbeing and to identify which areas policies should focus on. We also need it to connect better with citizens - since citizens genuinely care about wellbeing! This agenda really connects with people. However we also need to create accountability - because right now what leaders and policy makers are held accountable to - with data - is GDP. They are rarely held accountable to explain trends in mental health, open space, hours spent in traffic. When they are, the data often involves cherry-picking of the best statistic. Having a meta-data structure on wellbeing, a figure we could quote yearly that it covers all dimensions, could see us being better off on the whole.

One place to start in the research is to get a sense of the language that Maltese people use when they talk about wellbeing. I conducted a social media experiment, totally no cost, just a pilot, where I simply asked people on several chat rooms “what instances reduce and improve your wellbeing”. I drew up word maps, and I tell you one thing about this which really surprised me: any time they talked about children in a positive light, they called them “children”. Any time they talked about them in a negative light they talked about “kids”. Using people’s words sheds light on the language. People mention leisure, exercise, sleep, families, the weather, the sea, food and drink! Coffee comes up quite regularly! Among the negative determents, social interactions seem very important: things like rudeness, impatience, not being
appreciated. Issues like family and children, time, stress and rushing around, traffic, noise and pollution come up quite often too. I took this method to the Community Forum, which I chair. We basically asked people in a shopping mall to write what makes them happy and what makes them unhappy on a piece of paper. We hung these papers in the mall. Then we assessed them. It is not scientific, but it is giving us a language, it is telling us the words that people use on their own terms. It is a start.

To conclude, then, understanding the extent and nature of wellbeing in Malta through consultation, through measurement and through analysis could – and should – start to influence the goals we set for our policy makers, the society we live in and, ultimately, the lives that we lead.
The Chairperson for the Children’s Forum within the Foundation asked whether inequality of income determines wellbeing irrespective of level of GDP, and how Malta ranks on this count.

Dr Briguglio referred to the Gini Coefficient, which measures the extent of inequality. “We’re certainly not the most unequal country on that metric. However let me hypothesize that in a country like Malta, which is the second or third most densely populated country in the world, where you can see what everyone else has, and what everyone else has regularly appears in blogs, media, etc., social comparison is a real issue when it comes to income and wealth in general.” Dr Briguglio emphasised that the effect of inequality when inequality is visible is particularly worthy of investigation. “It is one thing to live in an unequal country and not know it, because you live in a village where everybody is suppressed and somewhere else in some Kingdom in the same country there is wealth, but it is another to be constantly exposed to it.”
The Chairperson of the President’s Foundation for the Wellbeing of Society’s Centre for Freedom from Addictions stated that Prof. Delaney has mentioned that governments are held responsible when their GDP is steady or increases, however once a threshold is reached it no longer affects wellbeing. She asked if any research has been carried out that shows the effects of wellbeing on the GDP. She reiterated that if people feel satisfied and happy they are more likely to be more effective and productive, and therefore this scenario could be worth looking into.

Dr Marie Briguglio responded that this has been explored, and in fact happier people are more productive. The question can be analysed by looking at children’s productivity when they are grown up, depending on the level of wellbeing that they have experienced when they were young. In Malta, we do not have these data sets. Marie explained there is currently work on a sample of 3,000 children to determine their wellbeing. If this data can be classified as a tracer study, then we would be able to see how wellbeing during childhood relates to productivity, and therefore directly to GDP. What we know from other countries’ research is that the relationship exists. The data shows that if you want to enhance your country’s productivity you had better invest in childhood wellbeing more than any other domain.

An audience member then asked if the research showed any gender or age disparities.

Dr Marie Briguglio replied by saying that “the relationship between age and wellbeing, as we know, is a U-shape, and the summary of that is that 45 is the low point. It gets better after that. It gets worse after reaching very late age as well.” On the other hand, she explained that the literature on gender is much more nuanced. There is more variation among women, and there is also a very interesting debate about being married, and men who are not married. Men who are widowed tend to suffer or tend to report a lower level of wellbeing. She emphasized the need to look at the wellbeing of widows and widowers.
Another audience member asked about dealing with this research question in a qualitative way.

Dr Marie Briguglio answered that there is a lot of research on wellbeing in psychology, even in sociology, a lot of which is qualitative. The main focus of today, she argued, were the quantitative trends, the determinants of wellbeing and to shed light on these numbers, imperfect though they may be, to inform policy. She stated that there is plenty of research being done on a more qualitative level.

A participant from Dar Merħba Bik inquired whether any research is being considered to determine the wellbeing of people who are living in institutions. Those in wards at Mount Carmel hospital and St. Vincent De Paul, for example, merited looking into.

Dr Marie Briguglio responded “It is definitely an important area. So any time we acquire national data we can then contrast that average, analyse it, and look at specific domains. Such studies have been done overseas and we know what the pros and cons of institutions are.” Dr Briguglio explained that this leads to an important point. The research exists, just like the data, but it is dispersed. She suggested that it would be really a good idea to collect the data in a repository, somewhere where it can be easily accessed. Prof. Delaney added that there’s a big problem in the literature on researching people living in institutions. Often research is focused on people that are easiest to find and to survey, so across the board interviewers are less likely to want to go near people living in unsafe areas. If people are very unhappy in a country, they will often leave. He stated: “In the Irish case, we had cases of 20-25% from the population leaving at any one time. So you could make a really bad policy conclusion which would be if all the unhappy people leave, then you have got a much happier country.” Prof. Delaney stated that for this issue to be resolved we need to put a lot more work into going and getting hard-to-reach people. Dr Briguglio further elaborated that there is a similar issue with gender because most surveys of gender are very simply male-female, and anyone who falls out of those binary categories or somewhere in between might not even respond to the survey or their data might get lost if they choose one of those two boxes.

Dr Ruth Farrugia added that she is more interested in minority groups and the little pockets within them. Gender for instance is not just men and women, but it
is much bigger than that. The migrant population, people with disability, there are so many of them. She asked whether the general overview of wellbeing might skew the reality of wellbeing for these minority groups.

Dr Marie Briguglio replied: “There are at least three risks to averages hiding cross-sections. The first is that we really have only an average, and that is because the bird’s eye view is being done by Eurobarometer or World Bank and we do not have the nuances of that. The more we rely on international data sets, the less fine grained our data is going to be. The other risk is that if we are going to get data and we then want to see what the pockets of risk are, then we need to survey cleverly and give more weight to areas where we know there might be a problem, so that we can generate a sufficiently large data set there, even though they are small in number, to be able to analyse them. This is something which the National Statistics Office does regularly. The third risk - and that is one of the biggest risks - is that we do not do this at all and we don’t even have an average! If we have very fine precise data distribution on income, and we are taking that as more or less a proxy of everything, we risk considerable error. My suggestion is to start somewhere so that we can at least get better at it.”

A participant from Caritas stated that it is very important to provide wellbeing to children as the speakers have already pointed out. She asked whether we listen to children and identify what the factors are for them, because they might be different from what we might perceive them to be. She elaborated on the need for better work-life balance.

Dr Marie Briguglio answered “I think that the President’s Foundation for the Wellbeing of Society is really focusing on this question and they are doing lots of qualitative exercises, even informal events. They are listening, and experimenting even with different ways of listening. There was a wonderful short seminar about how to listen to children which I learned a lot from as well. There is also a large study which is unfolding now, involving 3,000 children in Malta who will be surveyed. It is a global study and it is fascinating how questions are asked to children. But does listening translate into some kind of policy change? The question of work-life balance affects parents and children. This is something that we really need to watch out for, because we have really high levels of stress here. I think it is a matter of kicking in the policy change, and there are many institutions that can look at that, but I think there are some statistics that show that we need to take action already.”
Concluding remarks
Dr. Philip Von Brockdorff, Head of Economics Department, University of Malta

First of all, I would like to thank you all for being here and for participating so actively in this conference.

I would also like to thank Her Excellency for co-hosting the conference and the Director-General of the President’s Foundation for the Wellbeing of Society, and her enthusiastic staff for the excellent organisation of this conference. And of course, I thank Professor Liam Delaney for his presentation. Finally, I would like to thank Dr Marie Briguglio for her presentation; and for her research activity in the field of behavioural economics, and also in outlining an agenda for future research, including her outreach activities in the community.

Today we have heard about researchers and policy makers, how policy makers and researchers have grappled with the major question of what wellbeing actually is; how it can be evaluated, and how we can chart its progress. We have also heard about indicators that we can use to map wellbeing and even more importantly the factors that are well known to cause wellbeing to increase or decrease. This will give policy makers and researchers some important cues as to where direction is needed.

We have heard today the question of what could happen if we make wellbeing the main objective of society; that is shifting the focus from GDP and narrow economic growth and focusing really on those issues which impact our wellbeing.

I refer here to what Marie was saying on my research in transport and how it impacts on productivity, particularly through the effects of congestion, etc. In my research I have also looked at issues like the effects of noise pollution, the effects of CO2 greenhouse gases on our environment, and also the impact of nitrogen oxide and other matter, particularly respiratory problems they cause to our population. Unfortunately, the recent debate has concentrated on the congestion side, and the effect of grid lock, but not so much on the external effects in terms of pollution and the effects on our lives and therefore on our wellbeing. I hope that the debate will actually embrace other issues besides
the problems of congestions. It seems to me that we bother more about cars and the time we spend driving or in grid lock rather than the health problems caused by using the car in the first place.

I’m also involved in another University project in terms of estimating what Prof Delaney’ mentioned: the quality adjusted life years, resulting mainly from a new type of intervention, a metal hip procedure, to actually extend the number of years before one needs a hip replacement and therefore extending a number of years in a relatively healthy state. This, too, is research on wellbeing.

As stated by Dr Briguglio, the way we define and measure wellbeing and the research we do about it can determine the kind of society we live in. At the Department of Economics, we are doing something about this. We are educating our future economists in this field and we are also actively encouraging research in this field. We are also encouraging collaboration between economics and other disciplines as we believe that research on wellbeing requires a multi-disciplinary approach. However, we need to do more to build a database, collect data, and work closer with the NSO to ensure that relevant data is collected.

Your interest and support in all this is very relevant. I close this conference by encouraging you all to help us build this new and existing field of research and policy in the Maltese Islands.

Thank you.