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Instructor: Prof. Dr. Jan Delhey

Essay

Social Inequality as Dispersion of Happiness

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A Critical Review of Veenhoven 2005

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Maximilian Held

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Introduction

Aside from overall welfare, equity, that is, the distribution of welfare amongst the population is a key concern of public policy. Recently, much of the debate has centered around the impact of global economic integration, increased competition and the transition to postindustrial and service-based economies in some of the world's advanced nations on patterns of distribution in many societies. Many contributions have taken a rather critical stance, arguing that we are in an era of growing social inequality within *and* between societies. Respective empirical investigations have conventionally analyzed variables of income distribution to support this claim. In a recent article, Ruut Veenhoven (2005), a renowned scholar in the field of happiness research, has called this pessimistic view into question. He argues, that analyzing the dispersion of self-rated happiness in advanced societies instead of material wealth, one finds no support for a U-turn towards greater inequality - rather the opposite: in terms of subjective well-being we are doing better all the time.

In the following, I briefly summarize Veenhoven's argument and move on to critically review his work. Reflections on the concept and measurability of happiness are offered and some political implications are discussed.

Summary of Veenhoven's Argument

Veenhoven (2005: 460) is opposed to the conventional operationalization of social inequality as "difference in access to scarce resources" and argues that such a narrow definition may no longer be

adequate for affluent societies. He points out several flaws of this focus on material *life-chances*. By its focus on *having* (rather than, for instance, *ability to obtain*), he argues, the conventional operationalization introduces a materialist bias in that it suggests that only material wealth is an indicator of a good life. The subjective life satisfaction of more modest or postmaterialist individuals who value non-material goods (such as free time, a fulfilling job or self-actualization) over material affluence is thereby not adequately assessed by conventional measurements. In a similar vein, these operationalizations yield a distorted empirical picture because they do not include a deflator for diminishing returns of income. Most fundamentally, Veenhoven criticizes that income-based measures of social inequality, by their necessarily *relative* benchmarks systematically fail to reflect the colossal increase in the overall levels of affluence in today's late industrial and postindustrial societies. No differentiation between those need-based inequalities "that really hurt" (Veenhoven 2005: 461) and the ever-growing wants of conspicuous consumption are possible.

Veenhoven concludes that income, prestige and power, the conceptual foundations of income-based operationalizations, were necessary preconditions to the fulfillment of real human needs only historically and concludes that it is therefore more adequate to understand today's inequality in terms of life results (satisfaction with life) rather than chances.

Veenhoven (2005: 483) presents aggregate-level empirical findings suggesting that the dispersion of happiness (measured in standard deviations) decreases over time, over increasing levels of overall happiness and over increasing levels of economic development and concludes that using his indicator of subjective well-being, "the long-term trend towards lessening inequality is still actively ongoing".

Criticism

Veenhoven presents a very suggestive argument that at first sight appears inaccessible to critical review. His somewhat hermetic line of thought is thereby best appraised by investigating his conceptual premises¹.

At the heart of Veenhoven's argument lies one key assumption that will be criticized in the following:

¹ It shall be noted that aside from his conceptualization of happiness also his measurement of dispersion is worthy of critique. Arguably, by using the standard deviations of subjective well-being as an indicator, he rather measures something that could be called "status homogeneity" (Jan Delhey, 15-05-2007, oral communication) as standard deviations measure the average difference between all measurements (individuals) in any given distribution (society); it is however agnostic towards the skew of the distribution. A society with a large impoverished class contrasted by a very small but extremely rich elite would thereby yield the same (small) statistic as a society with a wide middle-class and very few very poor individuals or a wide middle-class with a medium degree of internal heterogeneity. For the purpose of concentrating on the conceptual question of whether self-rated happiness is an adequate approach to investigate social inequality in affluent society, this surely questionable operationalization will not receive further attention in this paper.

It should furthermore be noted that the practical implications of these concerns for this paper are very limited; Veenhoven not only shows that dispersion in Standard Deviations is decreasing, but also that mean levels are increasing and are correlated with decreasing degrees of dispersion and thereby effectively rules out the possibility of a strongly positively skewed distribution with many deprived and few privileged people (Veenhoven 2005: 338).

Survey results of subjective well-being, happiness or self-rated life-satisfaction² of individuals are valid and can be compared on the same absolute scale over different individuals, cultures and times.

Several empirical and conceptual objections have been raised towards Veenhoven's understanding of happiness as an absolute and comparable concept.

Happiness – Is It a Trait Or a State?

Most fundamentally, there is confusion about the fact whether happiness is a biologically or psychologically determined trait or a state dependent on circumstances (Stones et al. 1995). Veenhoven's argument underlies a state understanding of happiness for two reasons. For once, he assumes that subjective life-satisfaction as *life results* of individuals will be dependent on the *internal* (Livability) and *external* (Life-ability) *life-chances* under which those individuals live³. Secondly, for individuals to come to comparable ratings of their happiness there needs to be a universal anchor based in a commonly shared range of experiences. This shared experience in turn, is conceivable only when happiness is a state, that is, when individuals experience all theoretically possible degrees of happiness at some (short) point in their lives and can thereby arrive at

² It is acknowledged that the terms "Subjective well-being", "happiness" and "self-rated life-satisfaction" are understood as distinct concepts by many researchers in the field; the differences of which are however deemed negligible for the points made here. I therefore follow Easterlin (2001) and use these terms interchangeably.

³ It is acknowledged that the internal life-chances may in part be understood as reflections of trait-like dispositions, even in Veenhoven's theory. In contrast to a trait understanding of these dispositions, Veenhoven (2005: 463) however stresses its variable component by comparing it to adaptability and fitness in biological terms.

comprehensive ratings of their own mean or current subjective well-being.

There is abundant research in social indicators and psychological research that suggests Veenhoven's stress on happiness as a state may not be entirely justifiable. Most researchers agree now, that happiness has both a state and a trait component, with inter-individual dispositions possibly accounting for a majority of the variance observed (Stones et al. 1995). Not only do such findings contrast with Veenhoven's assumption of the prevailing influence of (external) life chances on individual happiness, they also call into question his central assumption that well-being is a universal concept: if some individuals are biologically or psychologically determined to be less satisfied with their lives *independent* of their experience, it seems questionable whether then still all individuals' ratings are anchored in the same, universal scale of experiences.

Happiness Ratings – Are They Based on Social Comparison?

Veenhoven bases his argument on the assumption that individuals rate their happiness on the same scale – independent of their closer (milieu, peer groups) and wider social context (culture) as well as their own previous experiences.

Again, there is a rich body of contradicting empirical evidence and opposing theoretical frameworks that call these bald assumptions into question.

Most prominently in Social Inequality research, Reference Group Theory has featured empirical support for social comparisons in subjective self-evaluations of material standard (Kelley & Evans 1995). It appears

reasonable to assume that if people base their subjective income ratings on social comparison, they should be similarly inclined to compare their own happiness with that of similar others. The degree to which these ratings are based in comparison should be even more pronounced when cultural differences are greater, as is the case between different societies. There is also – albeit contested⁴ - empirical evidence that suggests that also within wider contexts, people compare their happiness. Easterlin (Diener et al. 1993), Veenhoven's main antagonist in the field, finds that levels of happiness do not increase over time in post-war industrial societies, despite colossal increases in affluence and that levels of happiness do not differ substantially between industrial and developing countries. This provides support to the notion, that anchors of happiness are fundamentally relative and based on the social and temporal contexts in which ratings are made, fundamentally opposing Veenhoven's view of absolute standards.

In a recent contribution, Easterlin (2001) has also presented evidence suggesting that people's self-ratings of well-being are also dependent on temporal context. He argues that happiness aspirations rise substantially over the life-cycle as people expect higher returns in the future. When these higher returns materialize, however, happiness does not further increase, but aspirations rise further, in effect leaving happiness largely constant over a life-time, if not decreasing when inflated aspirations can no longer be met. Similar evidence is presented by Headey (2006: 372) who finds that a person's subjective self-being oscillates over time

⁴ Veenhoven (1991) has shown convincingly that using different statistical techniques, most importantly, standardized scales, much of the supporting evidence for relative standards are rendered null and void. A thorough investigation of these possibly serious flaws in Easterlin's (Diener et al. 1993) work is unfortunately beyond the scope of this paper.

around the inter-individually different means, within-person coefficients being larger than across-person coefficients over time⁵. These findings, intuitively appealing as they are, also call into question Veenhoven's assumption of absolute standards.

Happiness Ratings – Are They Evolutionarily Functional?

Arguably Veenhoven's most convincing argument in favor of absolute standards of happiness comes from his excursus to sociobiology and evolutionary theory. He argues that human beings, as other species, are biologically determined to optimize the fit with their environment that is not only to survive, but also to maximize their welfare. For this welfare maximization in terms of need, he argues, human beings have insight into their current position on an absolute scale of possible degrees of fit (or happiness) to guide their behavior (Veenhoven 1991: 1).

While a sociobiological appraisal of this argument is surely beyond the scope of this paper, a few critical intuitions seem in order. From an evolutionary point of view, it seems in fact functional for individuals to seek the best fit possible between themselves (their *life-ability*, in Veenhoven's words) and their environment (their *livability*, respectively) to maximize their output in terms of survival and genome proliferation (their *utility of life*). However, there appears to be no reason to assume that this welfare maximization is guided by a context-independent absolute continuum. Rather, it may be evolutionarily functional for

⁵ Veenhoven's simple operationalization of happiness is furthermore contested by Headey's (2006) findings that well-being and ill-being are not perfectly negatively correlated, thereby suggesting that subjective ratings may not be on a one-dimensional continuum.

individuals to think in terms of *marginal* utility and to strive for the best fit they *can* achieve realistically, and this anchor is then likely to be based in social comparison. In that, to avoid pointless negative affect from unrealistically high standards of happiness, human beings may very well be conditioned for contentment with the standards they can achieve. This should be even more likely to happen when basic needs are met, as is the case in affluent societies, as Veenhoven (1991) concedes.

Conclusion

To conclude, there is substantial reason to doubt Veenhoven's assumption of a universal standard of happiness that people can access in their self-ratings. These doubts stem both from conceptual considerations and empirical findings. If Veenhoven is only partly in error about this conceptual premise, his findings become highly questionable: if it is in fact true that individuals at least partly base their happiness ratings on comparisons within social or temporal contexts, all indications for decreasing dispersion of life-satisfaction tend to be spurious by definition.

Veenhoven (2005: 466) takes pride in renouncing sociological constructivism and psychological cognitivism concerning the self-evaluations of individuals and argues that really, social "inequality is an empirical question" (2005: 460). I disagree – inequality is not *only* a positivist question that can be adequately addressed with straightforward survey research. While it need not be and should not be normatively biased, a framework for investigating Social Inequality, like any social-scientific project, at the very least needs to enable a fundamentally critical perspective. If there is any chance that standards of happiness may be

partly relative, than a framework for Social Inequality research needs to render accessible, deconstruct and question those standards instead of naturalizing them in their uncritical positivist narratives of progress. Sociology, to borrow Chomsky's words on behaviorist psychology must not "lose all consciousness" (Chomsky 1959: 229 as cited in Ng 1997: 1848) as cited in but must alert scholars and policy makers to the dangers of conceptually and methodologically naturalizing social inequality and social comparison.

Following from Veenhoven's fundamental unawareness towards the socially constructed and socially dependent nature of self-ratings may be dangerously uncritical policy implications that are exemplarily reflected in his conspicuous distinction between *needs* and *wants*. His call for differentiation between those inequalities *that really hurt* and those inequalities of consumer society, which are acceptable or politically meaningless, in its essence is the postmaterialist agenda. As Ronald Inglehart (1977) has argued in his seminal "The Silent Revolution", individuals develop increasingly postmaterialist aspirations as they become individually and collectively more affluent, a trend that Veenhoven inaccurately describes as *diminishing returns* of income on happiness. Veenhoven's tacitly postmaterialist perspective of *needs* and *wants* moreover falls short on a key distinction that other researchers of postmaterialism, frequently draw attention to (Inglehart & Welzel 2005): while on the aggregate, societies become more postmaterialist in their value orientations, a high, and possibly growing degree of internal heterogeneity remains. Even the most highly developed postindustrial societies are home to individuals with a thoroughly materialist mindset. Veenhoven's talk of "wants that do not really hurt" does not address *these* inequalities. It may then be so that only the happy few postmaterialists turn to *wants* instead of *needs*, as materialists – who

incidentally, have been found to be less affluent than postmaterialists (Inglehart & Welzel 2005) – are still in *need*. The question stands, in fact, whether postmaterialist value change is not another factor that influences relative standards for subjective ratings of happiness. By its very conceptualization of happiness as based on absolute standards, Veenhoven’s framework is incapable of answering this question, and specifically, of investigating in how far standards of happiness differ between materialists and postmaterialists. This is not just a methodological discussion, but a highly relevant question in terms of normative implications for social inequality. Sirgy (1998: 228), for instance, finds that materialists tend to be unhappier than postmaterialists as they set their standards-of-living unrealistically high and tend to engage in overconsumption and underproduction.

At the most basic level, the very fact that materialist orientations still exist – with possible negative implications for individuals and society – questions Veenhoven’s naïve assumption that *difference in access to scarce resources* is no longer a meaningful operationalization of social inequality. For as long as people engage in conspicuous consumption and endorse materialist values, there is a *material* need for more resources (for instance in education) to overcome these forms of behavior and orientations. Until that point is reached, a conceptualization of Social Inequality that completely ignores material resources will be inadequate. Similarly, there is no reason to relax redistributive efforts and productivity-enhancing policies in the face of perceived diminishing returns of income⁶. As long as dramatic differences in value orientations exist, and thereby likely so corresponding differences in standards of happiness, there is a need for

⁶ For a respective policy suggestion to slow down the strive for productivity and the speed of globalization in the face of diminishing returns of income, see Wright (2000).

more material resources and a more equitable distribution of these resources even in today's most advanced postindustrial societies.

A light-hearted neglect of the importance of material resources for any society at this point in time is likely to be premature and fundamentally uncritical and unaware of the social reality in postindustrial society beyond the small but affluent section of the happy few postmaterialists, to which, coincidentally, most researchers in the field should belong.

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