

# Human Well-Being

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The definition of human well-being is diverse and is often used interchangeably with happiness, human welfare, standard of living or quality of life and has become an all-around term to measure and promote human lifestyle.

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## 1. Theories of Human Well-Being

In this part, two different theories of human well-being are compared.

There are two major theories of human well-being: Epicurus' hedonic well-being and Aristotle's eudaimonic well-being<sup>[1]</sup>.

Hedonic well-being emphasizes maximizing pleasure and minimizing pain<sup>[2]</sup>. Its representative model is the utility theory of neoclassical economics, which measures the level of well-being by using a consumption preference to represent human well-being. For example, under budget constraints, it studies how consumption decisions can maximize utility<sup>[3]</sup>. However, due to incomplete knowledge, incomplete rationality and lack of consideration for other people's well-being, there are inconsistencies between humans' preference and well-being, hence this method is not always easy to use<sup>[4]</sup>. Hedonic well-being is often used to evaluate subjective happiness. In large-scale data surveys such as the World Values Survey, the world happiness report and the UK based national labor force survey, it is widely used in the form of standardized questions<sup>[5]</sup>.

In the theory of eudaimonic well-being, Aristotle believed that human well-being lay in behaviors, content and the process of the personal life rather than a temporary and subjective psychological state<sup>[1]</sup>. Sen also pointed out that human well-being does not directly depend on the quantity of commodities owned by individuals but on the functions and abilities possessed by individuals<sup>[6]</sup>. The functions here refer to basic living conditions such as health, education and nutrition and the abilities refer to the possibilities and opportunities available to individuals. This theory is often used in objective research, which is reflected in the use of health, education, infrastructure, public services and other dimensions to measure the level of human well-being. This theory has derived a variety of human well-being measurement methods including the multi-dimensional poverty index and demand satisfaction theory.

From the neoclassical economics of hedonism, greater consumption means more satisfied preference, which leads to a higher human well-being. Consumption is regarded not only as an activity of internal satisfaction but also as a

means of fierce competition for social status and scarce goods<sup>[7][8]</sup>. Therefore, the position in the wealth hierarchy is the main influencing factor of personal human well-being<sup>[9]</sup>. In the theory of eudaimonic well-being, consumption plays a limited role. It is necessary to meet material needs in different fields (such as housing, nutrition and education) but as these needs are satisfiable, consumption beyond the threshold is unnecessary or even counterproductive<sup>[10]</sup>.

In the theory of hedonic well-being, the analysis of preference is often aimed at the current moment while in the theory of eudaimonic well-being, happiness is the ultimate goal that people pursue. In other words, hedonic well-being focuses on the present happiness while eudaimonic well-being pursues a long-term happiness. In hedonic well-being, people pursue the maximization of short-term personal interests, which may infringe on the human well-being of others and lead to the failure of the maximization of the human well-being of the whole society. Conversely, in the theory of eudaimonic well-being, people can sacrifice part of their own human well-being rationally in order to maximize the long-term human well-being of the society.

## 2. Measurement Method of Human Well-Being

There are different methods to measure the level of human well-being, among which the GDP (or GNP) is the simplest one to represent human well-being. However, many studies have revealed that the GDP (or GNP) has certain limitations as a single economic accounting indicator when it is adapted to measure human well-being involving all aspects of residents' lives<sup>[5]</sup>.

Some scholars hold that the GDP (or GNP) and other economic performance indicators can be supplemented to review the actual level of human development from the perspective of economic human well-being. In view of the defect that the GNP cannot accurately reflect economic welfare, Nordhaus and Tobin came up with the Measure of Economic Welfare (MEW) to modify the calculation content of the GNP in which the cost of some damage to human well-being such as environmental pollution was deducted and the value of beneficial non-market activities such as leisure activities was increased<sup>[11]</sup>. Based on Nordhaus and Tobin's method, Samuelson put forward the Net Economic Welfare (NEW)<sup>[12]</sup>. However, this method, which is on the basis of market utility, has some deviation from the calculation of non-market activities<sup>[13]</sup>.

As single-attribute indicators cannot meet the requirement to comprehensively measure the human well-being level, scholars have begun to select multiple human well-being dimensions to refine a comprehensive index system to reflect human well-being status. In this way, indicators need to be set at appropriate weights. In general, there are three methods to set weights: normative, data-driven and hybrid weights<sup>[5]</sup>.

Based on the perspective of sustainable development, Daly and Cobb developed the Index of Sustainable Economic Welfare (ISEW) to measure the economic human well-being growth of the United States<sup>[14]</sup>. They integrated several aspects of sustainable human well-being into three components: society, environment and economy. On the basis of neoclassical welfare economics, the ISEW brought non-market goods into an index system to finally produce a macro index in a monetary sense. By calculating the economic human well-being

growth of the United States from 1950 to 1986 using the ISEW and the GDP index, Daly and Cobb discovered that although the economy measured by the GDP continued to grow, the per capita economic human well-being growth of the United States calculated by the ISEW remained stable since the 1970s, which revealed that the increase of production did not necessarily lead to an increase of human well-being at this stage<sup>[14]</sup>.

Indices such as the GDP (or GNP), MEW, NEW and ISEW are still limited to measuring human well-being from an economic perspective and it is more appropriate to measure human well-being from a human development perspective. The United Nations Development Programme (1990) proposed the Human Development Index (HDI) to measure human well-being at a national level, shifting the focus from national accounts to people-oriented considerations. The HDI is a statistical comprehensive index that combines life expectancy, education level and per capita income with normative weight. However, the HDI has some limitations in this kind of research. On one hand, the scope of the HDI coverage index is limited, only including health, income and education, which cannot fully reflect the development level of a country. On the other hand, the continuous improvement of the HDI calculation method and the triple change of data source, statistical rules and calculation formula will lead to an inconsistency of the calculation results before and after<sup>[15]</sup>.

All of the above human well-being evaluation index systems are based on the measurement of the state and can carry out macro analysis from top to bottom, which is more suitable for a horizontal comparison of macro economy. In addition, on the basis of human needs, some scholars have also built human well-being evaluation systems from all aspects of human life needs from the “bottom-up”.

Table 1 summarizes the representative human well-being system based on the theory of human demand satisfaction. Maslow first divided human needs into five levels<sup>[16]</sup>. The demand on the basic level is mainly embodied in material demand including food, water and housing while the demand on the high level is non-material including human emotional needs, social connection and respect. Manfred Max-Neef, an economist in Chile, gave a more complete description of human needs. Similar to Maslow’s theory, in Max-Neef’s theoretical system, with the exception of some material demands, most needs are essentially immaterial and cannot be measured by economic growth or the GDP<sup>[17]</sup>. Doyal and Gough identified 11 intermediate needs to meet the requirements of physical health and individual autonomy<sup>[10]</sup>. In addition, they argued that both procedural and material preconditions are needed to satisfy these needs. Similar to Maslow’s and Max-Neef’s needs system, Nussbaum’s Central Human Capabilities also includes multi-dimensional needs of the body, mind and society<sup>[18]</sup>.

**Table 1.** Different human well-being dimensions based on theories of human needs and satisfaction <sup>1</sup>.

<b>Maslow</b>	<b>Max-Neef</b>	<b>Doyal and Gough</b>	<b>Nussbaum</b>
<b>Hierarchy of Needs (1954)</b>	<b>Axiological Categories of Human Need (1991)</b>	<b>Theory of Human Need (1991)</b>	<b>Central Human Capabilities (1999)</b>
Physiological needs	Subsistence	Adequate nutritional food and water	Life
		Appropriate health care	Bodily health
		Safe birth control and childbearing	
Safety needs	Protection	Adequate protective housing	Bodily integrity
		Adequate protection	Control over one's environment
		Non-hazardous physical environment	
		Non-hazardous work environment	
		Physical security	
		Security in childhood	
Social needs	Participation	Significant primary relationships	Affiliation
	Affection		Emotions
	Creation		Senses, imagination, thought
Esteem needs	Identity		
	Understanding		Practical reason
Self-actualization needs		Appropriate basic and cross-cultural education	
	Leisure		Play

Freedom		
Satisfiers	(Preconditions for need satisfaction)	Other species

<sup>1</sup> Dimensions displayed in the table are organized by common themes but they are not exactly equivalent.

Among these basic requirement methods, how to transform different types of requirements into measurable indicators is a difficulty as these demand dimensions usually contain dimensions that cannot be directly quantified such as “play” and “emotion” in Nussbaum’s Central Human Capabilities. However, these abstract aspects can be included in other aspects. Max-Neef put forward nine human needs (subsistence, protection, affection, understanding, participation, leisure, creation, identity and freedom) but expressed them in four different aspects: being (attributes), having (tools, norms), doing (agency) and interacting (social expressions in time and space)<sup>[17]</sup>. Similarly, by expressing in other ways, we can turn these abstract needs into more concrete daily activities so as to realize the quantification.

In the process of transforming into specific indicators, it is also a difficult problem to define the absolutely necessary and unnecessary needs. There are mainly four methods of demand definition and transformation. (1) In a subjective approach, an individual can choose to identify goods and needs that are essential to him<sup>[19]</sup>. (2) In a negotiation method, the whole group will participate in the defining process. (3) The definition of basic commodities can also be determined according to various political or administrative principles. Finland, for example, determines the basic components of social assistance in accordance with local policy priorities. (4) The fourth method is the commodity basket method, which is the most common in normative research. It is mainly through a basket of goods list formulated by experts to specify basic needs<sup>[20][21]</sup>. Represented by Reinert, basic commodities such as commodities and services that meet the objective human needs including nutritional food, clean water, health facilities, health services, education services, housing, electricity and human security services are defined, as shown in Table 2. These basic goods and services are often multi-functional and can play a role in supporting the same human needs. However, Reinert’s list only focuses on some of the most basic goods and services highlighted in the current development policy. It needs to be adjusted according to the situation of countries and regions in the later stage.

**Table 2.** Reinert’s list of basic goods and services and the human needs they meet.

Basic Goods and Services	Human Needs Included
Nutritious food	Food is needed to meet minimum calorie requirements. In addition, key vitamins and minerals are also important for minimal health. Additional micronutrients can support health and prevent potential infections.
Clean water	Water is essential for basic health and survival. This includes drinking water, sanitation, food production and cooking.
Hygiene	Health is essential for the prevention of many diseases and is seen as an intrinsic factor in human dignity.
Health services	Basic health services (primary health care) and related products are necessary for survival and basic health.
Education services	Basic education services (primary and secondary) are a prerequisite for participation in modern human life and for maintaining health. Well educated parents, especially mothers, are more likely to make children live and healthy.
Housing	The minimum level of housing quality is important to protect individuals from these factors and to provide space for food preparation and hygiene. In addition, it is often essential for effective participation in human life.
Power	Electricity helps with cooling (which improves food storage and medicine preservation), radio and television (which may provide critical information) and air conditioning (which shows improved health in very hot environments).
Human security services	Basic safety services are essential for maintaining physical integrity and preventing injuries. They are also essential to a well-functioning society (based on a minimum of trust), to the functioning of markets and to the provision of all other basic goods and services.

In the existing research, there are a series of different measurement methods for human well-being and the research scope of human well-being has gone beyond the monetary quantitative field, covering aspects of economy, society and environment. There is a general consensus that a set of indicators is needed to measure human well-being as one single indicator cannot accurately reflect the individual human well-being level<sup>[5]</sup>. In order to provide a clear path for the transformation of residents' green and low carbon lifestyles, the indicators of "bottom-up" basic goods and services based on human needs can connect residents' lifestyle and carbon emissions, which may be more applicable in this research issue. However, different countries and regions have

different objective conditions and different demands. The corresponding list of basic goods and services needs to be adjusted according to the situation of each region.

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