



**ESRC Research Group on  
Wellbeing in Developing Countries**

**WeD Working Paper 37**

**ENHANCING POVERTY-ABATEMENT PROGRAMMES:  
A SUBJECTIVE WELL-BEING CONTRIBUTION**

**© Mariano Rojas**

**December 2007**



## **WeD - Wellbeing in Developing Countries ESRC Research Group**

WeD is a multidisciplinary research group funded by the ESRC, dedicated to the study of poverty, inequality and the quality of life in poor countries. The research group is based at the University of Bath and draws on the knowledge and expertise from three different departments (Economics and International Development, Social and Policy Sciences and Psychology) as well as an extensive network of overseas contacts and specific partnerships with institutes in Bangladesh, Ethiopia, Peru and Thailand. The purpose of the research programme is to develop conceptual and methodological tools for investigating and understanding the social and cultural construction of wellbeing in specific countries.

### **Correspondence**

The Secretary

Wellbeing in Developing Countries ESRC Research Group (WeD)

3 East 2.10

University of Bath

Bath

BA2 7AY

UK

**E-mail:** [wed@bath.ac.uk](mailto:wed@bath.ac.uk)

**Tel:** +44 (0) 1225 384514

[www.welldev.org.uk](http://www.welldev.org.uk)

**Fax:** +44 (0) 1225 384848

A large print size version of this paper is available on request.

### **Working Paper Submission**

For enquiries concerning the submission of working papers please contact Ian Gough by email: [i.r.gough@bath.ac.uk](mailto:i.r.gough@bath.ac.uk) or by writing to the above address.

### **Acknowledgements**

The support of the Economic and Social Research Council (ESRC) is gratefully acknowledged. The work was part of the programme of the ESRC Research Group on Wellbeing in Developing Countries.

**SUMMARY:**

This paper questions the assumption used in designing social policies that raising people's income automatically translates into greater well-being. Based on a subjective well-being approach and a representative survey from Costa Rica the paper shows that there is substantial dissonance in the classification of persons as poor and as being in well-being deprivation. The existence of dissonances leads to the conceptualisation of different trajectories out-of-poverty and into well-being. Public policies oriented towards the abatement of income poverty can have a greater impact on people's well-being if they recognise the complexity of human beings and acknowledge that their programmes affect satisfaction in all domains of life. The paper states that public policy should not only be concerned with getting people out of income poverty, but also with placing them in a life-satisfying situation. The paper also discusses strategies that could improve poverty-abatement programmes.

**KEYWORDS:** Poverty, Social Programmes, Well-Being Deprivation, Subjective Well-Being, Life Satisfaction.

**Related readings:**

- Handa, S. and Davis, B. (2006), 'The Experience of Conditional Cash Transfers in Latin America', *Development Policy Review* 24(5), 513-536.
- Rojas, M. (2007), 'The Complexity of Well-Being: A Life-Satisfaction Conception and a Domains-of-Life Approach', in Gough, I. and McGregor, A. (eds.) *Researching Well-Being in Developing Countries: From Theory to Research*, Cambridge: Cambridge University Press, 259-280.
- Rojas, M. (2008), 'Experienced Poverty and Income Poverty in Mexico: A Subjective Well-Being Approach', *World Development*, forthcoming.

**Correspondence to:**

Mariano Rojas

Facultad Latinoamericana de Ciencias Sociales – México and Universidad Popular Autónoma del Estado de Puebla, Mexico

21 Sur 1103, Colonia Santiago

Puebla, 72160, Puebla, Mexico

Telephone: 52-222-2299400

e-mail: [mariano.rojas.h@gmail.com](mailto:mariano.rojas.h@gmail.com)

**Acknowledgements:** Financial support from the Merck Company Foundation, the philanthropic arm of Merck & Company Inc., Whitehouse Station, New Jersey, USA, is acknowledged.

## INTRODUCTION

The *Millennium Development Goals (MDGs) Declaration* placed poverty reduction at the pinnacle of international-development objectives. Poverty reduction is the main consideration in the design of both domestic and foreign-aid programmes; it also constitutes a measure of their success. There is a wide range of indicators to compute and follow up poverty reduction, such as the percentage of people beneath a poverty line and the set of Foster-Greer-Thorbecke Poverty Indices (F-G-T) (Foster *et al.*, 1984), which measure the depth of poverty in a population. The interest in monitoring poverty over time has led to a vast literature on construction and properties of poverty indices; however, most of these poverty measures are inspired by an income-based conception of poverty. The dominance of an income-based conception of poverty, combined with the use of income-based indicators to assess the success of programmes, has led to poverty-abatement policies that focus on getting people out of poverty by increasing their purchasing power.

In accordance with the objectives of the *MDGs*, there has been a proliferation of poverty-abatement programmes across Latin American countries, as well as in other parts of the world. Of special relevance are conditional cash transfer programmes, such as *Oportunidades* in Mexico, *Bolsa* in Brasil, and *Avancemos* in Costa Rica. Some programmes have a narrow scope and focus on raising household income; other programmes, with a broader scope, are influenced by the capabilities approach and focus on increasing human capital. This paper questions the implicit assumption that raising the income received by persons automatically translates into greater well-being. It uses a life-satisfaction conception of well-being and a domains-of-life approach to directly question this assumption. It also discusses factors that should be taken into consideration to enhance poverty-abatement programmes. The paper shows that a subjective well-being approach can be useful in the design of poverty-abatement programmes that not only get people out of poverty but also place them in a life-satisfying situation. The paper also argues that subjective well-being indicators should be taken into consideration for the evaluation of poverty abatement programmes.

Based on a relatively large survey applied in Costa Rica during 2004 and 2006, the paper shows that there is substantial dissonance in the classification of persons as poor and as being in well-being deprivation: not all income-poor persons have low life satisfaction, while some non income-poor persons are unsatisfied with their lives. The paper shows that the

reasons for these dissonances must be found in the complexity of being a human being, as well as in the failure of income-based poverty definitions to capture this complexity.

The existence of dissonances leads to the conceptualisation of different out-of-poverty well-being patterns. It is possible for some programmes to get people out of income poverty while keeping them in well-being deprivation; clearly superior poverty-abatement programmes get people out of income poverty while substantially increasing their well-being. A complete understanding of out-of-poverty well-being patterns requires a study of other dimensions of life that have been neglected by traditional poverty-abatement programmes. The consideration of other dimensions of life (beyond the economic dimension) and a better understanding of how all dimensions of life are affected by income-increasing programmes is fundamental for the design of well-being enhancing poverty-abatement programmes.

The paper concludes by discussing some well-being enhancing policies to complement poverty-abatement programmes. Of special relevance is the shift in emphasis from *income generation capacities*, such as human and social capital, to *life satisfaction capacities*, such as wisdoms of life and interpersonal relationships. The incorporation of subjective well-being indicators is essential for the proper design and evaluation of poverty abatement programmes.

The paper is structured as follows: section 2 discusses poverty-abatement programmes. Section 3 deals with the relationship between income and well-being and demonstrates that income poverty is a poor proxy for well-being deprivation. Section 4 discusses the Costa Rican database, as well as the construction of the relevant variables for the empirical analyses. Section 5 shows that there are important dissonances in the classification of people as being in income poverty and as being in well-being deprivation. Section 6 elaborates on a domains-of-life explanation for these dissonances. Section 7 conceptualises two different well-being patterns for persons getting out of income poverty; it argues that the best pattern is one that not only gets people out of poverty, but also places them in a life satisfying situation. Section 8 discusses how findings from subjective well-being research provide useful insights to enhance poverty-abatement programmes. Final considerations are made in section 9.

## **POVERTY-ABATEMENT PROGRAMMES**

The United Nations Millennium Declaration of September 2000 made 'Eradicating Extreme Poverty and Hunger' the first of eight Millennium Development Goals (*MDGs*) Specific targets were set for the year 2015, which represented a substantial reduction in poverty rates - in percentage terms - with respect to the situation in 1990 (United Nations, 2000, 2001)

Motivated by this goal set by *MDGs*, as well as by intellectual and financial support from international organisations, there has been a proliferation of conditional cash transfer programmes (CCT) to abate poverty and reach the 2015 targets. For example, Mexico's *Oportunidades* (formerly *Progresa*), Brazil's *Bolsa Escola*, Colombia's *Familias en Acción*, and Nicaragua's *Red de Protección Social*.

CCT programme philosophy is based on influencing household behaviour so that intra-household decisions lead to an improvement in human capital, which is expected to break a vicious poverty cycle. For this reason beyond the direct impact of the transfer itself, the programme includes an education and a health component (Rawlings and Rubio, 2004)

CCT programmes must first establish an eligibility criteria; this defines the population that can benefit from the programme. Common criteria refer to persons with household (or household per capita) income beneath a given level, as well as persons living in communities where per capita income is low. It is also common to use indexes of marginality, such as literacy rates and percentage of population who have access to public services, to select the communities where these programmes will be implemented. Some programmes focus on rural areas, while others have expanded to urban areas.

CCT programmes must also establish the behavioural conditionality for benefiting from transfers. Households are required to undertake specific actions, mostly in terms of school attendance of children and regular visits to health and nutritional centres.

As stated in the case study summary of Mexico's *Oportunidades* Programme, which was presented at the Shanghai Poverty Conference, the main aim of the programme is to invest in human capital:

*Oportunidades* focuses on helping poor families in rural and urban communities invest in *human capital*—improving the education, health, and nutrition of their children—leading to the long-term improvement of their economic future and the consequent reduction of poverty in Mexico. By providing cash transfers to households

(linked to regular school attendance and health clinic visits), the programme also fulfils the aim of alleviating current poverty

The focus on human capital is also mentioned by Rawlings and Rubio (2004, p.1) who state: “These programs provide money to poor families conditional upon certain behaviour, usually investments in human capital such as sending children to school or bringing them to health centres on a regular basis.”

The impact evaluation of these programmes has also acquired great relevance. There are ex-post evaluations that compare the beneficiaries’ performance with respect to a control group. Matching techniques are used to assess the programmes’ impact on school attendance, weight and height gain, incorporation into labour markets, and income increases. Ex-ante techniques are based on micro simulations that incorporate some (commonly neoclassical) behavioural assumptions (Parker and Skoufias, 2000; Schultz, 2000; World Bank, 2001)

The design of these programmes has also followed a process of modification based on previous experience. Das *et al.* (2005) study the conditionality of CCT programmes. They state that unconditional transfers would lead to different behaviour than conditional transfers. For example, Bourguignon *et al.* (2002) and Cardoso and Souza (2003) have found that the increase in school attendance attained by Brazil’s Bolsa Escola programme critically depended on the conditionality of cash transfers, and that unconditional cash transfers would have had no impact on school attendance. Thus, conditional transfers are based on the idea that individual market choice is not a preferred social-policy objective. Research evidence also questions the assumption that CCT programmes have a long-lasting influence on household decisions; hence, once families graduate from the programme their behavioural patterns tend to reflect their unconstrained rather than their constrained behaviour (Miguel and Kremer, 2004).

## **WELL-BEING AND INCOME POVERTY**

### **A close relationship with threshold is assumed**

Economists and policy-makers have commonly used income as a well-being proxy. It is assumed that there is a close relationship between income and a person’s well-being. A rise in income increases well-being through greater purchasing power, which implies more consumption through the life cycle. On some occasions income and well-being are even treated as synonymous.

The basic-needs literature<sup>1</sup> proposes a hierarchy of needs: some needs are basic and their satisfaction requires the consumption of economic goods (positive market price). It is assumed that persons who are unable of satisfying these basic needs experience well-being levels that are substantially low. Hence, it is possible to conceptualise an income threshold: beneath this threshold well-being is substantially low; beyond it well-being is relatively high.

The absence of a direct measure of well-being has deterred the corroboration of these theories. Economists have ended up discussing normative arguments that support or reject their theories with little empirical research.

### **Questioning a close relationship between income and well-being**

Many arguments can be advanced to question the existence of a close relationship between income and well-being, as well as to question the existence of a clearly defined threshold.

First, not everything of value can be purchased. Income allows for buying economic goods but has little impact on a person's access to non-economic goods. Recent literature (Bruni and Stanca, 2005; Gui and Sugden, 2005; and Sugden, 2005) states that relational goods (love, emotional support, friendship, correspondence of sentiments, good relations with neighbours and colleagues, and so on) have a large impact on well-being. In an empirical study based on a survey applied in central Mexico, Rojas (2007a) shows that satisfaction with partner, children and family is crucial for life satisfaction. Because of their nature, relational goods can not be purchased and a market can not exist. The production of relational goods is time intensive, and because of time constraint the production of such goods may end-up conflicting with the production of income.

Second, income may not be used efficiently.<sup>2</sup> An increase in income may lead to little or no increase in well-being if persons do not have the skills to use income efficiently. There is a vast literature that questions the rationality of persons, as well as their ability to correctly foresee the well-being impact of their consumption decisions (Scitovsky, 1976; Hsee and Hastie, 2006; Thaler, 1980, 1992, 2000; Tversky and Kahneman, 1974, 1981, 1986; Loewenstein and Schkade, 1999). Using 1500 observations from a survey

---

<sup>1</sup> For an in depth discussion of basic needs see Doyal and Gough (1991) and Gasper (2007)

<sup>2</sup> Frank (2005, p. 70) suggests that "people might have been able to spend their money in other ways that would have made them happier, yet for various reasons did not"



in central Mexico, Rojas (2007b) has found that X-inefficiency in the use of income is relatively large and it shows up at all income levels.

Third, there may be basic needs that do not require income for their satisfaction. The psychological needs approach (Deci and Ryan, 1985; Kasser and Ryan, 1993 and 1996; Kasser, 2002; Ryan and Sapp, 2007) states that there are fundamental psychological needs such as autonomy, competence and personal relationships. Persons who can not manage to satisfy their psychological needs experience low well-being. The approach also states that a person's income makes little contribution to the satisfaction of psychological needs.

Fourth, consumers may not attain satisfaction from their consumption due to their immersion within social structures. The idea that well-being increases with higher income relies on the assumption that well-being depends on absolute consumption but not on relative consumption. Social thinkers such as Adam Smith, Karl Marx, and Thorstein Veblen recognised that needs may be socially influenced. Recent research (Frank, 1985, 2005; Schor, 2002; Alpizar et al., 2005) has shown that the satisfaction attained from the consumption of some goods is contingent on the consumption of other members of the community (reference groups). Hence, it may be that absolute consumption is not closely related to a person's well-being.

Fifth, the extent to which consumption impacts on well-being. The ordinal utility approach in economics states that utility is 'non-decreasing on income', i.e. a higher income allows for the satisfaction of more wants and desires, which leads to higher utility. However, it is impossible to know how much well-being increases as a consequence of the satisfaction of some wants and desires. It could be that satisfying some additional wants and desires have little impact on a person's well-being, even if income is used efficiently. Hence, it could happen that an increase in income does not have a strong impact on well-being.

Sixth, income is not the only source of well-being. The domains-of-life literature (Cummins, 1996; van Praag, Frijters and Ferrer-i-Carbonell, 2003; Rojas, 2007a; Salvatore and Muñoz Sastre, 2001) states that a person's well-being depends on her satisfaction in many domains of life where she is performing as a human being. Satisfaction in these domains of life depends on many factors beyond a person's income, such as: age, level of education, health, types of hobbies and pastimes, type of job, place of residence, nature and strength of interpersonal relations with partner, children, parents, colleagues and neighbours, and so on. Thus, the relationship between income and well-being is expected to be wide open.

## **Measuring well-being: The subjective well-being approach**

The lack of an observable output for income use has deterred testing hypotheses about the relationship between income and well-being. The emergence of the 'economics of happiness' literature (Easterlin, 1974, 1995, 2001; Clark and Oswald, 1994; Di Tella *et al*, 2001; Ferrer-i-Carbonell and Frijters, 2004; Frey and Stutzer, 2000; Oswald, 1997; van Praag *et al*, 2003; van Praag and Ferrer-i-Carbonell, 2004; and Stutzer, 2004) provides not only the tools, but also the epistemological support and academic endorsement to have an observable output variable for a person's well-being.

The subjective well-being approach is based on the following six principles (Rojas, 2007a): First, it deals with well-being as declared by the person, usually declared as an answer to a life satisfaction or happiness question; it is the person's evaluation of her life. The approach states that this is the best way to know a person's well-being. Second, it works with the well-being of a person, rather than with the well-being of an academically defined agent; thus, it studies the well-being of a person of *flesh and blood* and *who is in her circumstance*.<sup>3</sup> Third, it recognises that a person's well-being is essentially subjective; the person is the one who is experiencing her well-being, and nobody else can do that. Fourth, it accepts that the person is the authority to assess her well-being; because being well or not is fundamentally a subjective experience. Fifth, it accepts a person's assessment of her well-being as correct and then follows an inferential -bottom-up- rather than a normative -top-down- methodology to identify the factors that influence a person's well-being.<sup>4</sup> Sixth, it calls for a transdisciplinary -or at least interdisciplinary- study of well-being, since it is difficult to capture the complexity of a person's well-being assessment from any single discipline. Hence, life satisfaction as it is reported by the person is used as an observable output variable for her well-being.

## **On income poverty and well-being deprivation:**

### **Dissonances expected**

Based on the arguments put forward on page 7, it is expected that income poverty will not to be a good proxy for well-being deprivation. In other words,

---

<sup>3</sup> There is no person without circumstances; thus, the alternative for a person is not to get rid of all cultural biases, parents, dependencies, values, goals, childhood experiences, and so on; but to substitute them for different ones.

<sup>4</sup> In this way, even if it sounds paradoxical, it can be said that the subjective well-being approach avoids the subjectivity and arbitrariness of the so-called objective indicators of well-being. It deals with the well-being of a person as she is, and not as someone else thinks she ought to be.

some persons classified as poor could enjoy well-being beyond deprivation levels; while some non-poor persons could be in well-being deprivation (Rojas, 2008). The following sections use the subjective well-being approach to explore the existence of dissonances in the classification of persons as poor and as being well-being deprived. They also provide an explanation for these dissonances which is based on the domains-of-life literature.

## THE DATABASE

### The survey

The database comes from a yearly national survey run by the University of Costa Rica. The survey is applied every year to 1000 persons during the middle of the year, and it is representative for the country. In the 2004 and 2006 a section of subjective well-being questions were introduced in the survey.<sup>5</sup> Thus, the database consists of a total of 2000 observations.

### The variables

The survey gathered information regarding the following quantitative and qualitative variables:

*Demographic Variables:* household-income dependent persons.

*Economic Variables:* current household income.

*Life Satisfaction:* the following question was asked: “Taking everything in your life into consideration, how satisfied are you with your life?” A seven-option categorical answering scale was used. The scale’s answering options are: *extremely unsatisfied, very unsatisfied, unsatisfied, neither satisfied nor unsatisfied, satisfied, very satisfied, extremely satisfied*. Life Satisfaction was handled as an ordinal variable, with values between 1 and 7; where 1 corresponds to the *extremely unsatisfied* category and 7 to the *extremely satisfied* category.<sup>6</sup>

*Satisfaction in Concrete Areas of Life:* Seven questions were asked to inquire about satisfaction with the following domains of life: health, job, economic, family relations (satisfaction with partner, children and rest of

---

<sup>5</sup> The author expresses his gratitude to the Merck Foundation for a grant that financially supported the incorporation of a subjective well-being group of questions in the survey.

<sup>6</sup> The author has found that results do not substantially differ when life satisfaction is treated as a cardinal rather than as an ordinal variable. Ferrer-i-Carbonell and Frijters (2004) also show that there are no substantial differences when satisfaction is treated either as a cardinal or as an ordinal variable.

family), friendship, self (availability and use of leisure time), and community environment. A seven-option response scale similar to the one used for the life satisfaction question was used. Satisfaction questions were handled as cardinal variables, with values between 1 and 7; where 1 was assigned to the lowest satisfaction level and 7 to the highest.

This classification is close to Cummins' comprehensive review of the domains of life satisfaction (1996).

## WELL-BEING AND INCOME POVERTY

### Well-being categories

Table 1 shows the frequency for the life-satisfaction question. 1998 persons out of 2000 answered the life-satisfaction question. It is observed that most people evaluate their lives as satisfactory or more than satisfactory.

Table 1 Sample distribution across life-satisfaction categories Well-being classification		
Well-Being Categories	Satisfaction	Percentage
Well-Being Deprivation	Extremely unsatisfied	2.60
	Very unsatisfied	3.55
	Unsatisfied	4.45
	Neither unsatisfied nor satisfied	8.11
Moderate Well-Being	Satisfied	36.84
High Well-Being	Very satisfied	31.73
	Extremely satisfied	12.71
Total		100.0

This investigation takes advantage of working with a categorical response scale. Two well-being lines are defined; a line for well-being deprivation is set at a life satisfaction level of *neither unsatisfied nor satisfied*; thus, people who are *extremely unsatisfied*, *very unsatisfied*, *unsatisfied* and *neither unsatisfied nor satisfied* with their lives are considered as having low well-being. A second line for moderate well-being is defined at the '*satisfied*' level on the basis of these people still having enough room to improve their life satisfaction. These criteria imply that 18.7 percent of people in the sample are in well-being deprivation; while 36.8 percent are experiencing moderate well-being.

### Household per capita income and income poverty

Table 2 presents the distribution of people in the sample according to their household per capita income. 1705 persons answered the income question,

out of 2000 persons who were asked. It is observed that 21.8 percent of people in the sample have a household per capita income of US\$2 dollars per day or less, while 37.8 percent of people are between US\$2 and US\$5 dollars per day level.

<b>Poverty Category</b>	<b>Income Ranges</b>	<b>Percentage</b>
Income Poverty	$Y_{hpc} \leq 2$	21.8
Moderate Income Poverty	$2 < Y_{hpc} \leq 5$	37.8
Non-poor	$5 < Y_{hpc}$	40.5
Total		100.0

This investigation uses household per capita income to define income poverty lines. Household per capita income is commonly -but not universally- used to define income poverty.<sup>7</sup> This investigation classifies a person as being in income poverty if she lives in a household with a per capita income of US\$ 2 dollars per day or less. A person is classified as being in moderate income poverty if she lives in a household with a daily per capita income in between US\$2 and US\$5 dollars.

On the basis of these criteria 21.8 percent of people in the sample are classified as income poor; while 37.8 percent of people in the sample are considered as being in moderate income poverty.

### **Well-being deprivation and income poverty: dissonances and concordances**

Is income poverty a good proxy for low well-being? This section shows that important dissonances exist between the classification of people as poor and as being well-being deprived. In other words, it is shown that not all people who are considered as being in income poverty experience low life satisfaction, and that not all people who are considered as non-income poor experience high life satisfaction.

---

<sup>7</sup> For example, Rojas (2007d) shows that household per capita income could be a bad proxy for a person's economic satisfaction because size economies at the household level are considerable. In addition, it is also possible for household income to be a poor proxy for personal access to economic resources due to intra-household inequality in the distribution of income benefits (Rojas, 2006b).

Table 3 shows the existence of dissonances and concordances in the arrangement of people when the well-being and the income-poverty classifications are contrasted.

<b>Table 3</b>		
<b>Well-being and income poverty Dissonances and Concordances In percentages of total survey population</b>		
<b>Well-Being</b>	<b>Income Poverty</b>	
	<b>Poor</b>	<b>Non poor</b>
Deprivation	24.0	17.9
Moderate and High	76.0	82.1
<b>Total percentage</b>	100.0	100.0
<b>Total observations</b>	371	1332

It is observed that 76 percent of people in the survey who are classified as poor based on their income (a household per capita income of US\$ 2 dollars or less per day) report moderate and high life satisfaction (life evaluated as satisfactory or better). Well-being deprivation (low life satisfaction) is reported by 24 percent of poor people. In addition, 17.9 percent of people in the survey who are classified as non poor on the basis of their income report low life satisfaction. Thus, income poverty does not fully capture a person's well-being situation.

Table 4 extends the analysis to the expanded classifications of well-being and income poverty, which incorporate the categories of moderate life satisfaction and moderate poverty. Dissonance emerges in all three income poverty categories.

<b>Table 4</b>			
<b>Well-Being and income poverty: Expanded categories Dissonances and concordances In percentages of total survey population</b>			
<b>Well-Being</b>	<b>Income Poverty</b>		
	<b>Poor</b>	<b>Moderate poor</b>	<b>Non poor</b>
<b>Deprivation</b>	24.0	21.8	14.2
<b>Moderate</b>	43.1	36.5	32.8
<b>High</b>	32.9	41.7	53.0
<b>Total percentage</b>	100.0	100.0	100
<b>Total observations</b>	371	643	689

Why doesn't well-being deprivation closely follow income poverty? The following section uses a domains-of-life approach to explain the reasons for

this dissonance and to show that the well-being-deprivation conception is broader and richer than the income poverty one.

## **A DOMAINS-OF-LIFE EXPLANATION FOR DISSONANCES**

The domains-of-life literature states that life can be approached as an aggregate construct of many specific domains, and that life satisfaction can be understood as the result of satisfaction in the domains of life. In other words, it is argued that a person is much more than a consumer or an economic agent. She is being human not only when she is consuming goods and services, but also when she is spending time and other resources in interpersonal relations (either with a spouse, a partner, children, other family members, friends and neighbours), when she is using her leisure time and pursuing her hobbies, and in other fundamental human activities. This study has information about a person's satisfaction in seven domains of life: *health, economic, job, family, friends, self* and *community*; thus, it is possible to study the structure of domain satisfaction, as well as their relationship with life satisfaction.

Rojas (2006a, 2007a) has shown that in Mexico satisfaction in the *family* domain is crucial for life satisfaction. *Health* and *Self* satisfaction are also of great relevance. *Job* and *economic* satisfaction follow in importance. Relatively similar results were obtained for Costa Rica.

### **Out of income poverty while remaining in well-being deprivation**

This paper has stressed that well-being is a broader and richer concept than income poverty. It is thus possible for a person to get out of income poverty while remaining in well-being deprivation, since a rise in income does not ensure that her satisfaction in most domains of life will increase. It could be possible for some policies to reduce income poverty while having little or even a negative impact on well-being because they do not impact on satisfaction in other domains of life.

Table 5 uses a domains-of-life perspective to further explain why a person may be out of income poverty while remaining in well-being deprivation. All people in Table 5 are in well-being deprivation; however, some are in income poverty and others are not.

<b>Table 5</b> <b>Average satisfaction in domains of life</b> <b>For people in well-being deprivation</b> <b>By income poverty category</b>			
<b>Domain of Life</b>	<b>Poor</b>	<b>Moderate Poor</b>	<b>Non Poor</b>
<i>Health</i>	4.15	3.84	4.55
<i>Economic</i>	2.93	3.80	4.36
<i>Job</i>	3.69	4.15	4.39
<i>Family</i>	4.30	4.76	4.81
<i>Friendship</i>	4.34	4.68	4.92
<i>Self</i>	3.83	4.19	4.34
<i>Community</i>	4.11	3.96	4.19
<i>Life Satisfaction</i>	2.79	2.96	3.10
<i>Daily Household per capita Income</i>	1.18	3.32	9.14
<i>n</i>	89	140	98

Table 5 shows domains-of-life satisfaction for people who are in well-being deprivation and who are classified according to their income-poverty situation. While the income of the non-poor is almost 700 percent greater than that of the poor, their life satisfaction is only 11 percent larger and still well below the satisfactory level. The non-poor do have significantly larger *economic* (from 2.93 to 4.36) and *job* satisfaction (from 3.69 to 4.39) with respect to the poor. However, the difference between the poor and the non-poor in *family* satisfaction -a crucial domain for well-being- and in domains such as *health*, *friendship*, *self* and *community* is relatively small. Hence, at a conceptual level, it is possible to imagine a situation where people can get substantial increases in income while remaining in well-being deprivation; in this case income makes a strong impact on *economic* satisfaction, but not so in other relevant domains of life.

### **Out of well-being deprivation while being in income poverty**

Because well-being deprivation and income poverty are not closely related, it is also possible to conceptualise a situation where people get out of well-being deprivation while remaining in income poverty. Table 6 uses the domains-of-life perspective to illustrate this possibility. All persons in Table 6 are in income poverty.

Table 6 shows that for those people classified as poor there are substantial differences in satisfaction in domains of life. Within the income poor, those persons who are not in well-being deprivation report life satisfaction that is 120 percent greater than people in well-being deprivation, even though their income is only 13 percent higher. These persons show higher satisfaction in



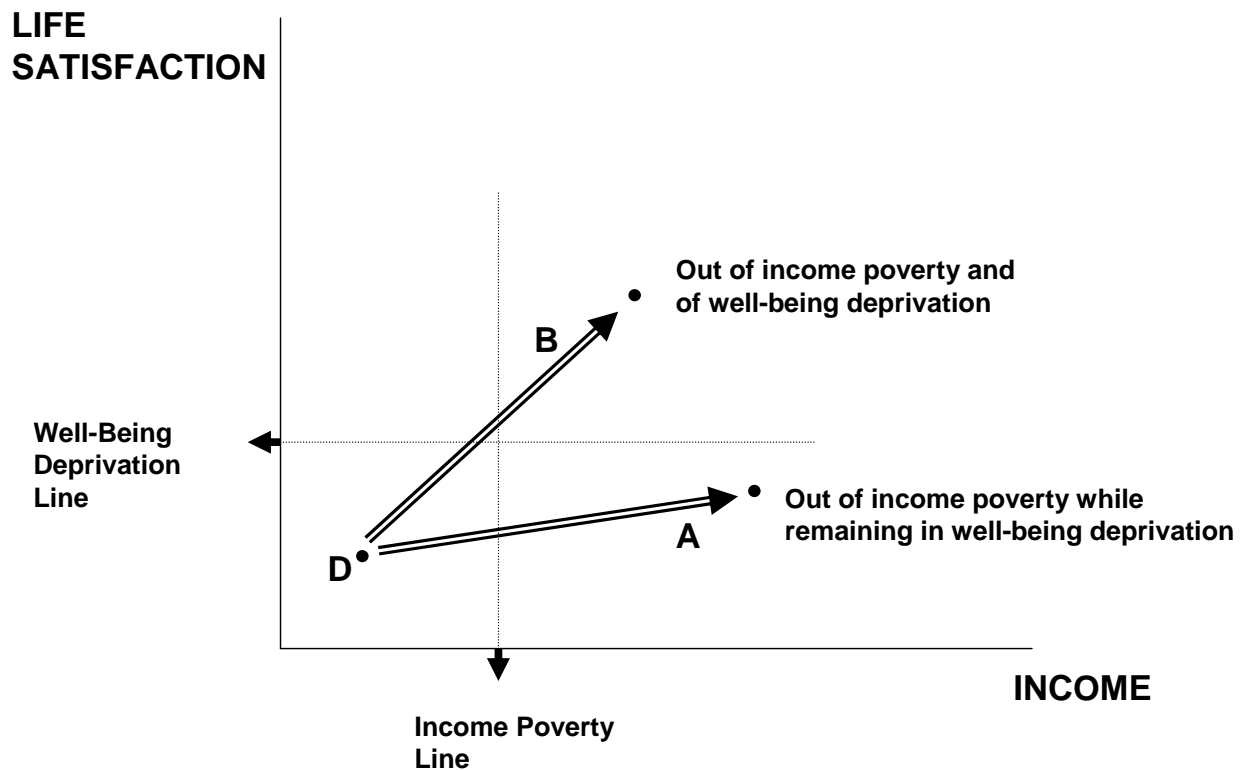
all domains of life. Considerable differences are observed in their *job*, *health*, *self* and *family* satisfaction, as well as in their *economic* satisfaction. It is noteworthy that their *economic* satisfaction is substantially higher even under relatively similar economic conditions; this is clearly a consequence of the relationship between income and *economic* satisfaction being weak. Rojas (2007b) studies the existence of high disparity in economic satisfaction within income groups and argues for the existence of X-inefficiency in the use of income; this is: most people do not spend their income in the best possible way; they make substantial mistakes and end up attaining lower than possible economic satisfaction.

<b>Table 6</b>			
<b>Average satisfaction in domains of life</b>			
<b>For people in income poverty</b>			
<b>By well-being category</b>			
<b>Domain of Life</b>	<b>Well-Being</b>		
	<b>Deprived</b>	<b>Moderately Deprived</b>	<b>Non Deprived</b>
<i>Health</i>	4.15	5.02	5.66
<i>Economic</i>	2.93	4.02	4.34
<i>Job</i>	3.69	4.55	5.17
<i>Family</i>	4.30	5.20	5.84
<i>Friendship</i>	4.34	5.06	5.60
<i>Self</i>	3.83	4.69	5.16
<i>Community</i>	4.11	4.59	4.73
<i>Life Satisfaction</i>	2.79	5.00	6.20
<i>Daily Household per capita Income</i>	1.18	1.29	1.33
<i>n</i>	89	160	122

In general, a person can be satisfied with her life even if her income is low; as long as she is moderately satisfied in domains of life such as *family*, *self*, *health*, *job*, and *economic*.

## **CONCEPTUALIZING PATTERNS OUT OF INCOME POVERTY**

This paper has shown that it is possible to jump over the income poverty line with little effect in life satisfaction; Pattern *A* in Graph 1 illustrates this possibility. Pattern *B* shows a trajectory where a person jumps not only over the income poverty line but also over the experienced poverty line. It is clear that pattern *B* is superior to pattern *A* because income is not an end but a means for well-being.



**Graph 1: Patterns out of Income Poverty**

What is needed from a person and her society for pattern *B* to take place rather than pattern *A*? The domains of life approach states that in conjunction with an increase in income it is also important to have an increase in satisfaction in most domains of life; especially those domains that are crucial for life satisfaction, such as the *family, self, job* and *health* domains.

Table 7 shows the alternative trajectories that can be followed out of income poverty. Column D illustrates what could be considered as the point of departure: the situation of persons who are in income poverty (daily household income less than US\$2 per capita) and in well-being deprivation. Column A shows the situation of people in the sample who are in well-being deprivation but not in income poverty; their income places them in moderate income poverty (household per capita income in between US\$ 2 to 5 dollars), but their life satisfaction places them in well-being deprivation. Column B shows the situation of people who are not in well-being deprivation nor in income poverty; they assess their life as satisfactory or better, and their daily household per capita income is in between US\$ 2 to 5 dollars.

Table 7					
Average satisfaction for persons in different poverty and well-being conditions					
	D	A	B	A / D	B / D
Domain of Life	In Well-Being Deprivation <sup>1</sup> & Income Poverty <sup>2</sup>	In Well-Being Deprivation <sup>1</sup> & Moderate Income Poverty <sup>3</sup>	Not in Well-Being Deprivation <sup>4</sup> & in Moderate Income Poverty <sup>3</sup>		
Health	4.15	3.84	5.35	0.92	1.29
Economic	2.93	3.80	4.72	1.30	1.61
Job	3.69	4.15	5.06	1.12	1.37
Family	4.30	4.76	5.51	1.11	1.28
Friendship	4.34	4.68	5.34	1.08	1.23
Self	3.83	4.19	4.87	1.09	1.27
Community	4.11	3.96	4.69	0.96	1.14
Life Satisfaction	2.79	2.96	5.69	1.06	2.04
Average daily household per capita income <sup>5</sup>	1.18	3.32	3.42	2.81	2.90
Age	36.3	35.5	36.6		
Gender (women=1)	0.53	0.59	0.53		
Years of education	8.1	9.0	9.8		

<sup>1</sup> People with life satisfaction level beneath *satisfactory*.

<sup>2</sup> People with daily household per capita income of US\$ 2 dollars or less.

<sup>3</sup> People with daily household per capita income in between US\$ 2 and 5 dollars.

<sup>4</sup> People with life satisfaction equal to *satisfactory* or better.

<sup>5</sup> In U.S. dollars

Pattern A in graph 1 can be understood as the situation of a person who moves in Table 7 from column D to column A; she is no longer in income poverty (average income increases 181 percent and places her well above the US\$2 dollars income line), but her life satisfaction just slightly increases from 2.79 to 2.96. Her life satisfaction does not substantially increase because her higher income does not translate into greater satisfaction in most domains of life. On the other hand, pattern B can be understood as the situation of a person who moves from column D to column B. Persons in column B are not only out of economic poverty, they are also out of well-being deprivation; their life satisfaction is on average 104 percent higher. It is observed in Table 7 that higher life satisfaction is attained because satisfaction in all domains of life increases dramatically. Hence, the desirable pattern out of income poverty is from D to B, rather than from D to A. It means that the increase in income can have a larger well-being impact

if it is accompanied by policies that increase satisfaction in all domains of life, rather than confining their impact to the *economic* and *job* domains of life. Table 7 also provides some socio-demographic information for the different groups.

## **CONTRIBUTION FROM THE SUBJECTIVE WELL-BEING LITERATURE**

The subjective well-being literature can provide useful guidance in designing integrated poverty-abatement programmes. For poverty-abatement programmes to be well-being enhancing it is desirable for a person not only to have more income, but to also have many other qualities and attributes at the same time. It is a matter of social policy design to reduce the potential trade offs that may take place between the pursuing of higher income levels and these other qualities and attributes. Thus, it is important to recognise firstly that well-being deprivation is explained not only by low income but also by other relevant factors associated with satisfaction in many domains of life. Secondly, well-being enhancement does not only depend on increasing income but also on improving satisfaction in many domains of life. Thirdly, there may be trade-offs between the pursuing of higher income and the attainment of other qualities and attributes in life. Fourthly, that these trade-offs may be reduced or even avoided if social programmes recognise that well-being depends on satisfaction in many domains of life, and that many qualities and attributes need to be considered when designing these programmes. Among the relevant attributes it is possible to mention:

### **The role of leisure**

#### *Intrinsic value of leisure*

The importance of leisure must not be neglected, even at low income levels. Lloyd and Auld (2001) and Lu and Hu (2005) have shown that leisure is an important source of well-being and that its use in social activities is well-being enhancing. Klumb and Perrez (2004) provide a survey of the importance of leisure for well-being. Furnham (1991) discusses the principles for leisure satisfaction. Palomar (2000) shows that access to recreational areas and parks is strongly related to psychological well-being in Mexico City.

#### *Leisure and the production of relational goods: From social capital to interpersonal relationships*

Furthermore, leisure time allows for the production of relational goods, which have been found to be important for well-being and which are time-intensive in their production. Fostering long-lasting friendship relations requires time. Powdthavee (2005) has found a close and positive

relationship between friendship and happiness. Myers (2000) shows that friendship and good relations with one's partner are closely related to subjective well-being. Rojas (2007a) shows that a satisfactory relationship with partner and children constitutes a main source of happiness. Family and friends provide such important goods as emotional support, care and nurturing, confidence and self-esteem development, and acceptance and correspondence of sentiments. In a study in the United States, Thomas (1990) noted that leisure time is significantly related to marriage satisfaction, as women value having time to communicate with their partner, while men value family cohesion. Orbuch et al. (1996) found out that couples that manage to reduce their working hours and spend more time together achieve higher marriage satisfaction. Better and more gratifying family relations contribute to the reduction of adolescent problem behaviour (Suldo and Huebner, 2004). Shapiro and Lambert (1999), Amato (1994) and Vanderwater and Lansford (1998) show that divorce and parental conflict can have a negative impact on the well-being of children; while Wenk (1994) demonstrates that parental involvement increases children happiness. According to Huebner et al. (1999) a satisfactory marital relationship is the main explanatory factor for the well-being of children. In a study with Korean data, Yang (2003) found that an increase in economic resources is associated with greater well-being only when family relations involve love, care, recognition and acceptance. Evans and Kelley (2004) also emphasise that having a stable and long-lasting marriage makes a significant impact on a person's happiness.

### **The importance of education: From human capital to wisdom for life**

Education and human capital have been treated as though they were synonymous. The basic aim of making cash transfers conditional on school attendance is to increase the human capital of beneficiaries; in consequence, conditional cash-transfer programmes are evaluated based on their capacity to rise people's income through more education. However, this approach neglects the intrinsic value of education and focuses on its instrumental value as a mean to greater income. Thus, the full benefits from education are not fully contemplated when it is associated to human capital and understood as an instrument for attaining greater income. Rojas (2007a) has shown that a person's education is strongly related to her *family* (partner and children), *self* (personal development, use of leisure time, and so on) and *job* satisfaction. Educated people have more gratifying relations with their partner, children and rest of family; they also have more satisfactory occupations, and pursue more stimulating and gratifying hobbies and interests. Ross and Willigen (1997) also found that a better education allows for more control over personal life and a better use of

leisure time. Briant and Marquez (1986) show that education allows women to socially integrate and to acquire more decision making power within families and societies. Kirkcaldy and Furnham (2004) find a strong relationship between education and subjective well-being. Further research should focus on understanding what pedagogies and teaching techniques provide the relevant knowledge and wisdom for attaining greater life satisfaction and satisfaction in domains of life, rather than stressing the number of years of school attendance and the relevant skills to raise productivity, as this is an understudied area in subjective well-being research.

### **The community: From social capital to interpersonal relations**

Persons live in communities. Their well-being also depends on the qualities of their nearby surroundings. Of special importance is the existence of neighbourhoods; while some social-assistance programmes have focused on providing a roof to poor families, subjective well-being research emphasises the need of providing neighbourhoods. Sirgy and Cornwell (2002) found out that community satisfaction is relevant for a person's life satisfaction. There are also well-being costs of migrating to attain additional income. Rokach (2000) discusses these uprooting costs when a person leaves her community and friends.

The positive well-being impact of healthy habits -such as exercising- is found by Hayes and Ross (1986).

### **Consumer skills**

An increase in income does not necessarily ensure an increase in economic or life satisfaction. It all depends on how this additional purchasing power is spent. If beneficiaries of poverty-abatement programmes lack consumption skills then it is likely that their additional purchasing power will be used to satisfy desires that contribute little to their well-being. Thus, their additional income generates little increase in their well-being. Rojas (2007b) shows that there is considerable X-inefficiency in the use of income at all levels of income. Thus, well-being enhancing programmes should focus not only on raising income but also on providing the knowledge and skills, as well as the institutional arrangements to enable people to spend it wisely. This area has been completely neglected by traditional economic theory which assumes that people are rational; however, a vast literature in economics and behavioural-economics theory stresses the possibility of people underperforming in their use of income (Scitovsky, 1976; Earl, 2007).

Special attention must be given to how values are modified as a consequence of the programme and what social contexts people will be

placed in once they attain higher purchasing power. Kasser and Ryan (1993) show that there is little gain in well-being if people become more materialistic and focus their life on pursuing economic benefits.

### **Enhancing poverty-abatement programmes: The scope of public concern**

There is a big risk of neglecting and underestimating the importance of well-being enhancing factors when focusing only on income poverty. It is important to worry about getting people out of income poverty, but it is more beneficial to also worry about the additional skills people need to have a more satisfactory life.

Public policy has recognised that a person's capacity to generate income is a matter of social concern and of social influence. In a similar way, it should be recognised that a person's satisfaction with life is not only a private matter; it depends on social and institutional factors such as the kind of education provided, the values promoted, the way public expenditure and direct transfers are allocated, access to recreational and community services, the nature of the family, migration and demographic patterns, and so on. Social policy and economic development should not only be concerned with getting people out of income poverty, but also with placing them in a situation that promotes a life that is judged by the person herself as a satisfactory one.

The evaluation of poverty-abatement programmes should go beyond income to incorporate a subjective well-being module. It would be very useful to know how life satisfaction, as well as satisfaction in many domains of life, is modified by these programmes. Having appropriate information on experiences of well-being would enable the design of better programmes.

### **FINAL CONSIDERATIONS**

This paper addresses an issue of social relevance; it questions the assumption that raising a person's income automatically improves her well-being. The assumption has been dominant in the design of social policies and in the debate on development strategies. The predominance of a limited conception of poverty that overestimates the importance of income and the economic domain has led to a neglect of other relevant dimensions of being. This could reduce the capacity of social policies to promote personal well-being. The subjective well-being approach is useful to expand our understanding of what means to be human and what is meant by well-being deprivation.

The paper shows that subjective well-being is broader and richer than the information provided by a person's income. There are some dissonances in the classification of persons as being in income poverty and being well-being deprived. It is possible to find people who are in income poverty while not being in well-being deprivation, as well as people who are in well-being deprivation but not in income poverty. Dissonances are explained on the basis of the domains-of-life literature, which states that a person's satisfaction with life depends on her satisfaction in the many concrete areas of life where the person is being a human being.

The paper argues that although helpful, the abatement of income poverty does not ensure the reduction of well-being deprivation. Thus, it is not only important to reduce income poverty, but it is also important to do it in a way that fosters well-being. Any strategy to reduce income poverty must take into consideration its impact on the other domains of life where people express their humanity and from which they attain most of their life satisfaction. It could be possible for some policies to reduce income while having little -or even a negative- impact on well-being. Public policy should not only be concerned with getting people out of income poverty, but also with placing them in a situation that fosters their life satisfaction.

The paper shows that to improve the well-being impact of poverty-abatement programmes it is imperative to recognise the following. First, persons are complex and they derive their well-being from satisfaction in many domains of life. Second, even though the economic domain of life is relevant, it does not determine life satisfaction. Third, an increase in income -and, perhaps, in economic satisfaction- is not necessarily accompanied by a raise in satisfaction in other crucial domains of life. Fourth, it is possible to design programmes that expand the positive impact of raising income on life satisfaction. Fifth, in order to enhance these poverty-abatement programmes it is necessary to go beyond the economic domain of life to consider the impact of public policies in other domains. Sixth, the sphere of public intervention should not be limited to those factors related to income generation alone.



## BIBLIOGRAPHY

- Alpizar, F., Carlsson, F. and Johansson-Stenman, O. (2005), 'How much do we Care about Absolute versus Relative Income and Consumption?' *Journal of Economic Behavior and Organization* 56, 405-421.
- Amato, P. (1994), 'Father–Child Relations, Mother–Child Relations, and Offspring Psychological Well–Being in Early Adulthood', *Journal of Marriage and Family* 56, 1031–1042.
- Bourguignon, F., Ferreira, F. and Leite, P. (2002), 'Ex-ante Evaluation of Conditional Cash Transfer Programs: The Case of Bolsa Escola', *Policy Research Working Paper*, World Bank, Washington D.C.
- Briant, F. and Marquez, J. (1986), 'Educational Status and the Structure of Subjective Well-Being in Men and Women', *Social Psychology Quarterly* 49, 142–153.
- Bruni, L. and Stanca, L. (2005), 'Watching Alone: Relational Goods, Television and Happiness', *Working Paper*, Bocconi University.
- Cardoso, E. and Souza, A. (2003), 'The Impact of Cash Transfers on Child Labor and School Attendance in Brazil', *Instituto de Estudos do Trabalho e Sociedade*, Rio de Janeiro, Brazil.
- Clark, A. and Oswald, A. (1994), 'Unhappiness and Unemployment', *The Economic Journal* 104, 648-659.
- Cummins, R. (1996), 'The Domains of Life Satisfaction: An Attempt to Order Chaos', *Social Indicators Research* 38, 303-332.
- Das, J., Do, Q.-T. and Özler, B. (2005), 'Reassessing Conditional Cash Transfer Programs', *World Bank Research Observer* 20(1), 57-80.
- Deci, E. and Ryan, R. (1985), *Intrinsic Motivation and Self-Determination in Human Behavior*, New York: Plenum Press.
- Di Tella, R., MacCulloch, R. and Oswald, A. (2001), 'Preferences over Inflation and Unemployment: Evidence from Surveys of Happiness', *American Economic Review* 91, 335-341.
- Doyal, L. and Gough, I. (1991), *A Theory of Human Need*. Basingstoke: Macmillan.

- Earl, P. (2007), 'Consumer X-inefficiency and the Problem of Market Regulation', in Franz, R. (ed.) *Renaissance in Behavioral Economics, Essays in Memory of Harvey Leibenstein*, London: Routledge.
- Easterlin, R. (1974), 'Does Economic Growth Improve the Human Lot? Some Empirical Evidence', in David, P. and Reder, W. (eds.) *Nations and Households in Economic Growth*, New York: Academic Press, 89-125.
- Easterlin, R. (1995), 'Will Rising the Incomes of all Increase the Happiness of All?' *Journal of Economic Behaviour and Organization* 27(1), 35-48.
- Easterlin, R. (2001), 'Income and Happiness: Towards a Unified Theory', *The Economic Journal* 111, 465-484.
- Evans M. and Kelley, J. (2004), 'Effect of Family Structure on Life Satisfaction: Australian Evidence', *Social Indicators Research* 69, 303-349.
- Foster, J., Greer, J. and Thorbecke, E. (1984), 'A Class of Decomposable Poverty Measures', *Econometrica*, 52(3), 761-765.
- Frank, R. (1985), 'The Demand for Unobservable and Other Nonpositional Goods', *American Economic Review* 75(1), 101-116.
- Frank, R. (2005), 'Does Absolute Income Matter?', in Bruni, L. and Porta, P.L. (eds.) *Economics & Happiness: Framing the Analysis*, Oxford: Oxford University Press.
- Furnham, A. (1991), 'Work and Leisure Satisfaction', in Strack, S., Argyle, M. and Schwartz, N. (eds) *Subjective Well-being*. Oxford: Pergamon, 235-259.
- Ferrer-i-Carbonell, A. and Frijters, P. (2004), 'How Important is Methodology for the Estimates of Determinants of Happiness?', *The Economic Journal* 114, 641-659.
- Frey, B. and Stutzer, A. (2000), 'Happiness, Economy and Institutions', *The Economic Journal* 110, 918-938.

- Gaspar, D. (2007), 'Conceptualizing Human Needs and Well-Being', in Gough, I. and McGregor, A. (eds.) *Researching Well-Being in Developing Countries: From Theory to Research*, Cambridge: Cambridge University Press, 47-70.
- Gui, B. and Sugden, R. (eds.) (2005), *Economics and Social Interaction*, Cambridge: Cambridge University Press.
- Handa, S. and Davis, B. (2006), 'The Experience of Conditional Cash Transfers in Latin America', *Development Policy Review* 24(5), 513-536.
- Hayes, D. and Ross, C. (1986), 'Body and Mind: The Effect of Exercise, Overweight, and Physical Health on Psychological Well-Being', *Journal of Health and Social Behavior* 27, 387-400.
- Hsee, C. and Hastie, R. (2006), 'Decision and Experience: Why don't we choose what Makes us Happy?' *Trends in Cognitive Sciences* 10(1), 31-37.
- Huebner, S. E, Gilman, R., Laughlin, J. E. (1999), 'A Multimethod Investigation of the Multidimensionality of Children's Well-Being Reports: Discriminant Validity of Life Satisfaction and Self-Esteem', *Social Indicators Research* 46, 1-22.
- Kasser, T. and Ryan, R. (1993), 'A Dark Side of the American Dream: Correlates of Financial Success as a Central Life Aspiration', *Journal of Personality and Social Psychology* 65(2), 410-422.
- Kasser, T. and Ryan, R. (1996), 'Further Examining the American Dream: Differential Correlates of Intrinsic and Extrinsic Goals', *Personality and Social Psychology Bulletin* 22, 280-287.
- Kasser, T. (2002), *The High Price of Materialism*, Massachusetts: MIT Press.
- Kirkcaldy, B. and Furnham, A. (2004), 'The Relationship Between Health Efficacy, Educational Attainment, and Well-Being Among 30 Nations', *European Psychologist* 9, 107-119.
- Klumb, P. and Perrez, M. (2004), 'Why Time Sampling Studies can Enrich Work-Leisure Research', *Social Indicators Research* 67, 1-10

- Lloyd, K. and Auld, C. (2001), 'The Role of Leisure in Determining Quality of Life: Issues of Contents and Measurement', *Social Indicators Research* 57, 43–71.
- Loewenstein, G. and Schkade, D. (1999), 'Wouldn't it be Nice? Predicting Future Feelings', in Kahneman, D., Diener, E. and Schwarz, N. (Eds.) *Foundations of Hedonic Psychology: Scientific Perspectives on Enjoyment and Suffering*, New York: Russell Sage Foundation.
- Lu, L. and Hu, C. (2005), 'Personality, Leisure Experiences and Happiness', *Journal of Happiness Studies* 6, 325–342.
- Miguel, E. and Kremer, M. (2004), 'Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities', *Econometrica* 72(1), 159-217.
- Myers, D. (2000), 'The Funds, Friends, and Faith of Happy People', *American Psychologist* 55, 56–57.
- Orbuch, T., House, J. S., Mero, R. P., Webster, P. S. (1996), 'Marital Quality over the Life Course', *Social Psychologist Quarterly* 59, 156–171.
- Oswald, A. (1997), 'Happiness and Economic Performance', *The Economic Journal* 107, 1815-1831.
- Palomar, J. (2000), 'The Development of an Instrument to Measure Quality of Life in Mexico City', *Social Indicators Research* 50, 187-208.
- Parker, S. and Skoufias, E. (2000), 'The Impact of Progresa on Work, Leisure and Time Allocation', *IFPRI Final Report on Progresa*, IFPRI, Washington, DC.
- Powdthavee, N. (2005), 'Identifying Causal Effects with Panel Data: The Case of Friendship and Happiness', *The Institute of Education*, University of London.
- Praag, B. van, Frijters, P. and Ferrer-i-Carbonell, A. (2003), 'The Anatomy of Subjective Well-being', *Journal of Economic Behavior & Organization* 51, 29-49.
- Praag, B. van and Ferrer-i-Carbonell, A. (2004), *Happiness Quantified: A Satisfaction Calculus Approach*, Oxford: Oxford University Press.

- Rawlings, L. and Rubio, G. (2004), 'Evaluating the Impact of Conditional Cash Transfer Programs', *World Bank Research Observer* 20(1), 29-55.
- Rokach, A. (2000), 'The Effects of Culture on the Meaning of Loneliness', *Social Indicators Research* 53, 17-31.
- Rojas, M. (2008), 'Experienced Poverty and Income Poverty in Mexico: A Subjective Well-Being Approach', *World Development*, forthcoming.
- Rojas, M. (2007a), 'The Complexity of Well-Being: A Life-Satisfaction Conception and a Domains-of-Life Approach', in Gough, I. and McGregor, A. (eds.) *Researching Well-Being in Developing Countries: From Theory to Research*, Cambridge: Cambridge University Press, 259-280.
- Rojas, M. (2007b), 'X-Inefficiency in the Use of Income to attain Economic Satisfaction', *Universidad de las Americas*, Puebla, working paper.
- Rojas, M. (2007c), 'Domain-Absentee Persons and their Life Satisfaction Explanatory Structure', *Universidad de las Americas*, Puebla, working paper.
- Rojas, M. (2007d), 'Estimating Equivalence Scales in Mexico: A Subjective Well-Being Approach', *Oxford Development Studies*, 35(3), September, 273-293.
- Rojas, M. (2006a), 'Life Satisfaction and Satisfaction in Domains of Life: Is it a Simple Relationship?', *Journal of Happiness Studies* 7(4), 467-497.
- Rojas, M. (2006b), 'Communitarian versus Individualistic Arrangements in the Family: What and Whose Income Matters for Happiness?' chapter 10 in Estes, R. (ed.), *Advancing Quality of Life in a Turbulent World*, Dordrecht: Kluwer Academic Publishers, 153-167.
- Ross, C. and Willigen, M. (1997), 'Education and Subjective Quality of Life', *Journal of Health and Social Behavior* 38, 275-297.
- Ryan, R. and Sapp, A. (2007), 'Basic Psychological Needs: A Self-determination Theory Perspective on the Promotion of Wellness across Development and Cultures', in Gough, I. and McGregor, A. (eds.), *Researching Well-Being in Developing Countries: From*

- Theory to Research*, Cambridge: Cambridge University Press, 71-92.
- Salvatore, N. and Muñoz Sastre, M.T. (2001), 'Appraisal of Life: "Area" versus "Dimension" Conceptualizations', *Social Indicators Research* 53, 229-255.
- Schultz, T.P. (2000), 'The Impact of Progresa on School Enrollment', *IFPRI Final Report on Progresa*, IFPRI, Washington, DC.
- Schor, J. (2002), 'Understanding the New Consumerism: Inequality, Emulation and the Erosion of Well Being', *Tijdschrift voor Sociologie* 23(1), 1-14.
- Scitovsky, T. (1976), *The Joyless Economy: An Inquiry into Human Satisfaction and Consumer Dissatisfaction*, Oxford: Oxford University Press.
- Shapiro, A. and Lambert, J. (1999), 'Longitudinal Effects of Divorce on the Quality of the Father – Child Relationship and the Father's Psychological Well-Being', *Journal of Marriage and Family* 61, 397–408.
- Sirgy, M. and Cornwell, T. (2002), 'How Neighborhood Features Affect Quality of Life', *Social Indicators Research* 59, 79–114.
- Stutzer A. (2004), 'The Role of Income Aspirations in Individual Happiness', *Journal of Economic Behavior & Organization* 54, 89–109.
- Sugden, R. (2005), 'Correspondence of Sentiments: An Explanation of the Pleasure of Social Interaction', in Bruni, L. and Porta, P.L. (eds.) *Economics & Happiness: Framing the Analysis*, Oxford: Oxford University Press.
- Suldo, S. and Huebner, E. (2004), 'The Role of Life Satisfaction in the Relationship between Authoritative Parenting Dimensions and Adolescent Problem Behavior', *Social Indicator Research* 66, 165–195.
- Thaler, R. (1980), 'Toward a Positive Theory of Consumer Choice', *Journal of Economic Behavior and Organization* 1, 39-60.
- Thaler, R. (1992), *Quasi-Rational Economics*, New York: Russell Sage Foundation.

- Thaler, R. (2000), 'From Homo Economics to Homo Sapiens', *The Journal of Economic Perspectives* 14(1), 133-141.
- Thomas, V. (1990), 'Determinant of Global Life Happiness and Marital Happiness in Dual-Career Black Couples', *Family Relations* 39, 174-178.
- Tversky, A. and Kahneman, D. (1974), 'Judgment under Uncertainty: Heuristics and Biases', *Science* 185, 1124-1131.
- Tversky, A. and Kahneman, D. (1981), 'The Framing of Decisions and the Psychology of Choice', *Science* 211, 453-458.
- Tversky, A. and Kahneman, D. (1986), 'Rational Choice and the Framing of Decisions', *Journal of Business* 59(4), 251-278.
- United Nations (2000), 'Resolution Adopted by the General Assembly: United Nations Millennium Declaration', *A/RES/55/2*, 18 September. New York: UN, <http://www.un.org>.
- United Nations (2001), 'Road Map towards the Implementation of the United Nations Millennium Declaration: Report of the Secretary-General', *A/56/326*, New York: UN, <http://www.un.org>.
- Vanderwater, E. and Lansford, J. (1998), 'Influences of Family Structure and Parental Conflict on Children's Well-Being', *Family Relations* 47, 323-330.
- Wenk, D. (1994), 'The Influence of Parental Involvement on the Well-Being of Sons and Daughters', *Journal of Marriage and the Family* 56, 229-234.
- World Bank (2001), 'Brazil: An Assessment of the Bolsa Escola Programs', *Report 20208-BR*, Washington, DC.
- Yang, O. (2003), 'Family Structure and Relation', *Social Indicators Research* 62, 121-148.

## List of WeD Working Papers

WeD 01 'Lists and Thresholds: Comparing the Doyal-Gough Theory of Human Need with Nussbaum's Capabilities Approach' by Ian Gough (March 2003)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed01.pdf>

WeD 02 'Research on Well-Being: Some Advice from Jeremy Bentham' by David Collard (May 2003)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed02.pdf>

WeD 03 'Theorising the Links between Social and Economic Development: The Sigma Economy Model of Adolfo Figueroa' by James Copestake (September 2003)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed03.pdf>

WeD 04 'Discursive Repertoires and the Negotiation of Well-being: Reflections on the WeD Frameworks' by Hartley Dean (September 2003)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed04.pdf>

WeD 05 'Poverty Studies in Peru: Towards a more Inclusive Study of Exclusion' by Teofilo Altamirano, James Copestake, Adolfo Figueroa and Katie Wright (December 2003)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed05.pdf>

WeD 06 'Exploring the Structured Dynamics of Chronic Poverty: A Sociological Approach' by Philippa Bevan (May 2004)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed06.pdf>

WeD 07 'Administrative Allocation, Lease Markets and Inequality in Land in Rural Ethiopia: 1995-97' by Bereket Kebede (July 2004)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed07.pdf>

WeD 08 'Participatory Approaches and the Measurement of Well-being' by Sarah White and Jethro Pettit (August 2004)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed08.pdf>

WeD 09 'Subjective and Objective Well-Being In Relation To Economic Inputs: Puzzles and Responses' by Des Gasper (October 2004)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed09.pdf>

WeD 10 'Happiness and the Sad Topics of Anthropology' by Neil Thin (May 2005)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed10.pdf>

WeD 11 'Exploring the Quality of Life of People in North Eastern and Southern Thailand' by Darunee Jongudomkarn and Laura Camfield (August 2005)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed11.pdf>

WeD 12 'Sen and the art of quality of life maintenance: towards a working definition of quality of life' by Danny Ruta, Laura Camfield, Cam Donaldson, (January 2006)  
<http://www.welldev.org.uk/research/workingpaperpdf/wed12.pdf>

WeD 13 'Autonomy or Dependence – or Both? Perspectives from Bangladesh.' By Joe Devine, Laura Camfield, and Ian Gough (January 2006)



<http://www.welldev.org.uk/research/workingpaperpdf/wed13.pdf>

WeD 14 'Relationships, Happiness and Wellbeing: Insights from Bangladesh' by Laura Camfield, Kaneta Choudhury, and Joe Devine (March 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed14.pdf>

WeD 15 'The Cultural Construction of Wellbeing: Seeking Healing in Bangladesh' by Sarah White (March 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed15.pdf>

WeD 16 'Exploring the relationship between happiness, objective and subjective well-being: Evidence from rural Thailand' by Mònica Guillén Royo and Jackeline Velazco (March 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed16.pdf>

WeD 17 'Measuring wealth across seven Thai communities' by Richard Clarke (April 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed17.pdf>

WeD 18 'Public Goods, Global Public Goods and the Common Good' by Séverine Deneulin and Nicholas Townsend (September 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed18.pdf>

WeD 19 'Theorising wellbeing in international development' by Ian Gough, J. Allister McGregor and Laura Camfield (September 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed19.pdf>

WeD 20 'Researching wellbeing: From concepts to methodology' by J. Allister McGregor (September 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed20.pdf>

WeD 21 'Multiple Dimensions of Social Assistance: The Case of Peru's 'Glass of Milk' Programme' by James Copestake (September 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed21.pdf>

WeD 22 'Using Security to Indicate Wellbeing' by Geof Wood (October 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed22.pdf>

WeD 23 'Wellbeing, Livelihoods and Resources in Social Practice' by Sarah White and Mark Ellison (October 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed23.pdf>

WeD 24 'Poverty and Exclusion, Resources And Relationships: Theorising The Links Between Economic And Social Development' by James Copestake (October 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed24.pdf>

WeD 25 'Researching Wellbeing Across The Disciplines: Some Key Intellectual Problems And Ways Forward' by Philippa Bevan (October 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed25.pdf>

WeD 26 'The Why and How of Understanding 'Subjective' Wellbeing: Exploratory work by the WeD group in four developing countries' by Laura Camfield (December 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed26.pdf>

WeD 27 'Conducting Focus Group Research across Cultures: Consistency and Comparability' by Janet Mancini Billson (December 2006)

<http://www.welldev.org.uk/research/workingpaperpdf/wed27.pdf>

WeD 28 'Asking people what they want or telling them what they 'need'? Contrasting A *Theory of Human Need* with local expressions of goals' by Tom Lavers (February 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed28.pdf>

WeD 29 'Labels, Welfare Regimes and Intermediation: Contesting Formal Power' by Geof Wood (March 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed29.pdf>

WeD 30 'Structures, Regimes and Wellbeing' by Julie Newton (March 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed30.pdf>

WeD 31 'Clashing Values in Bangladesh: NGO's, Secularism and the Ummah' by Geof Wood (March 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed31.pdf>

WeD 32 'Reproducing Unequal Security: Peru as a Wellbeing Regime' by James Copestake and Geof Wood (August 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed32.pdf>

WeD 33 "'You are not going there to amuse yourself,'" Barriers to achieving wellbeing through international migration: The case of Peruvian migrants in London and Madrid.' by Katie Wright-Revollo (September 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed33.pdf>

WeD 34 'Well-Being is a Process of Becoming: Research with Organic Farmers in Madagascar' by Cathy Rozel Farnworth (September 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed34.pdf>

WeD 35 'An analysis of the multiple links between economic and subjective wellbeing indicators using data from Peru' by James Copestake, Monica Guillen Royo, Wan-Jung Chou, Tim Hinks, Jackie Velazco (September 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed35.pdf>

WeD 36 'Governance, Democracy and the Politics of Wellbeing' by Joe Devine (December 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed36.pdf>

WeD 37 'Enhancing Poverty Abatement Programs: A subjective wellbeing contribution' by Mariano Rojas (December 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed37.pdf>

WeD 38 'Subjective Well-being in Cities: A Cross- Cultural Analysis in Bogotá, Belo Horizonte and Toronto' by Eduardo Wills and Marilyn Hamilton (December 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed38.pdf>

WeD 39 'Health and Subjective Wellbeing in developing Countries: The case of Algeria' by Habib Tiliouine (December 2007)

<http://www.welldev.org.uk/research/workingpaperpdf/wed39.pdf>