Briefing Paper 2/08

Wellbeing Indicators: Measuring What Matters Most

"Wellbeing is a state of being with others, where human needs are met, where one can act meaningfully to pursue one's goals, and where one enjoys a satisfactory quality of life."

Key Points

- The Millenium Development Goals are not enough: they need to be combined with indicators based on how poor people think and feel.

- These can be obtained by adapting proven tools for measuring customer satisfaction: development agencies lag behind the private sector in this.

- Identifying frustrated aspirations can prompt more relevant and effective action. Such information can also reveal damaging gaps between official rhetoric and local reality.

- Recognising this, the June 2007 Istanbul World Forum Declaration commits governments to work with communities to produce better information about local views of wellbeing and its evolution over time (see www.oecd.org/site).

International Development policy and practice places great value on universal goals, indicators and benchmarks. While these are important, reliance on standard indicators for aid and development can drown out and alienate the voices, values and practices of local stakeholders. To avoid this, development agencies also need to monitor the hopes and feelings of poor citizens in a systematic way, something that can be done by adapting proven market research tools. These tools that draw on the goal of positive psychology can enable development practitioners "to discover and promote the factors that allow individuals and communities to thrive"[1].

This briefing explains how to measure poor people's own wellbeing goals and their satisfaction with progress towards them. Combining this data with standard indicators (of household income, for example) reveals differences in outlook that affect how people respond to different initiatives: potential pay-offs include better working relationships, strengthened political legitimacy, reduced mismatches between policy rhetoric and implementation reality and greater aid effectiveness (see Box below).

Development goals that are specific, measurable, achievable, realistic and time-bound (or SMART) are widely regarded as necessary for effective aid management. But official goals and indicators can reinforce a top-down agenda that crowds out local views. The development 'industry' - above all industries - should be responsive to the needs, aspirations and feelings of its ultimate 'clients'. Yet feedback is generally weak: clients do not pay directly for the services designed to help them, so cannot easily withdraw their custom; nor do they often have a chance to vote out, or fire, those purporting to provide services to them. This accountability deficit can be addressed by building democratic political oversight and governance, by better learning from past successes and failures, and through more effective participation in planning processes. This can be strengthened by improved systems of monitoring and evaluation of people's quality of life as perceived by themselves.

Development disconnects in Peru

In Peru there is much debate over the distinctiveness of Andean culture and its compatibility with more Western perspectives. A growing literature explores how cultural disconnects (*desencuentros*) often undermine policies and projects in areas as diverse as agriculture, mining, education, health, nutrition and local government reform. Contrary to the assumption that people are motivated by a simple and fixed hierarchy of needs, such research reveals that even very poor people resist material support if the manner of supplying it undermines or offends deeply-held values and principles. Effort spent understanding local hopes and frustrations can pay handsome returns: people also value being consulted in a genuinely open-ended way. The recent experience of a British mining company with the Rio Blanco project in Peru is a case in point[2].

Constructing Workable Indicators of Wellbeing in Peru

What can be done to learn more about local values and goals, and to identify management indicators that resonate more closely with particular communities and contexts? Here we report on construction of a survey instrument called the WeDQoL-(*Wellbeing in Developing Countries Quality of Life Measure*), focusing on two of its component scales. These are designed to measure individual satisfaction with achievement of a locally defined list of wellbeing goals. For every item on the list individual respondents are asked to assess both its importance or necessity to them and their personal satisfaction with achievement of this goal. Statistical methods can then be used to consolidate item-specific *necessity* and *satisfaction* scores into a smaller number of wellbeing indicators. These can then be compared across different groups of people and over time, and hence used for standard development management purposes. Here we first present some actual data, taken from the first application of the WeDQoL in Peru (further examples of its use are also available from Thailand, Ethiopia and Bangladesh). We briefly examine two key methodological issues, *item selection* and *item consolidation*, and how the approach can be adapted for different purposes.

The Peru necessity and satisfaction scales were based on answers to questions about 34 items. Table 1 shows the mean scores for each of the most important twelve, obtained by interviewing 550 people in seven relatively poor rural and urban sites across Central Peru. It can be seen that respondents were generally more satisfied with those items that they also regarded as more necessary. This may be because they devote more time and effort to meeting important goals, but it may also reflect an adaptive lowering of goals that are difficult to achieve. In contrast, the difference in ranking (DR) column reveals three items where satisfaction was ranked relatively low compared to the necessity ranking: education of children, working for a salary and being a professional. Identifying location specific areas of *frustrat-*

ed aspiration such as this is potentially useful for development practice. This list can also be readily cross-checked for consistency with a development organisation's own organisational goals and priorities.

Data for *item selection* came from semi-structured interviews with a smaller sample of individuals from the same research sites. These mimicked a casual conversation about what they thought was necessary to live well in that place. This generated a much larger archive of possible items for inclusion. Only the most frequently cited were used to construct the closed questionnaire scale, subject to matching and merging those items being used interchangeably, and confirming that all items were widely recognised and understood by respondents throughout the area.

A simple approach to *item consolidation* would be to calculate mean aggregate goal necessity and achievement scores for all items, or for predetermined subgroups of them, such as those relating to health, work or family. However, there is no empirical reason for giving equal weights to each item. Another approach is to weight the satisfaction scores using individual necessity scores. A third approach is to aggregate scores for groups of items according to respondents' shared assessment of the necessity of each. This can be done by using factor analysis to identify principal components underpinning goal necessity responses, with the final solutions being scrutinised both statistically and for consistency with qualitative insights gained by the research team. Names or labels for each group and factor can also be agreed at this stage.

In the Peru case, the preferred solution consolidated the necessity data into the three factors or *latent needs* shown in Table 2. The same model was then applied to the satisfaction data to obtain three indicators of individual satisfaction relative to these locally identified needs. The result is an assessment tool that identifies individual satisfaction with achievement of locally defined goals that reflect the particular cultural context.

Table 1. WeDQoL-Peru: necessity and satisfaction with wellbeing

Item	Necessity		Satisfaction		
	Mean	Rank	Mean	Rank	DR
Health	1.88	1	2.53	3	-2
Daily Food	1.85	2	2.53	2	0
Education for children	1.77	3	1.91	22	-19
Room or house	1.68	4	2.33	10	-6
Electricity, water, sanitation	1.63	5	2.32	11	-6
Work for a salary	1.59	6	1.28	28	-22
Good family relations	1.57	7	2.65	1	6
Getting ahead/resolving problems	1.56	8	2.35	8	0
Tranquility, without violence or delinquency	1.54	9	2.21	16	-7
To be good with God and/or the church	1.53	10	2.28	13	-3
To be of good character	1.52	11	2.50	4	7
To be a professional	1.51	12	0.18	34	-22

Notes: DR or 'difference in ranking' refers to the necessity ranking less the satisfaction ranking. Item necessity was rated by respondents on a three point scale (very necessary = 2, necessary = 1, not necessary = 0). Goal satisfaction was rated on a four point response scale (satisfied = 3, so-so = 2, not satisfied = 1, don't have = 0).

Table 2. Latent needs in central Peru.

Latent need	Place to live better	Raise a family	Improvement from a secure base
Items (and loadings)	Clean and nice neighbourhood (0.79)	Partner or spouse (0.79)	Work for a salary (0.55)
	Tranquility, without violence or delinquency (0.64)	Children (0.77)	House and household goods (0.53)
	Moving forward (able to resolve problems) (0.48)		Children's education (0.50)
			Daily food and health (0.50)
			Be a professional (0.38)

Notes. Model based on confirmatory factor analysis, with three factors. Figures in brackets are factor loadings. Some items were combined earlier in the analysis. Other statistical parameters of the model are as follows: CMIN=40.765; DF=32; P=0.138;

This protects findings from the imposition by researchers or development agencies of their own values, priorities and mental models. It reveals potential trade-offs in pursuing strategies that promise to raise satisfaction in relation to one need but at the expense of others.

Other Indicators and Options

Having derived a manageable set of wellbeing indicators the next question is what extra policy relevant insights they offer. This can be addressed through statistical comparison with more orthodox indicators and by drawing on qualitative data to interpret differences. Table 3 illustrates this by comparing the WeDQoL indicators with survey-based estimates of the income poverty status of the same respondents' households.

Surprisingly, two of the latent need satisfaction measures were significantly associated with being poorer. The greater "place to live better" satisfaction of very poor respondents can be explained by their concentration in rural areas rather than urban shanty towns. Higher "raise a family" satisfaction among very poor people suggests perhaps that some respondents postponed family goals in the hope of achieving greater "improvement from a secure base" first. Further analysis suggested that satisfaction with income was also

reduced to the extent that higher incomes were achieved only by moving to richer areas without any improvement in relative income. Overall, the results highlight the need to incorporate assessment methods derived from psychology to enable greater understanding of development processes and outcomes.

There are many other ways to construct and use wellbeing indicators of this kind. For example, a quicker alternative to the item selection method presented above is to start with an existing list of items and then use qualitative methods in a new locality to decide which goals to keep, which to drop and whether to add new ones. At one extreme this can be used to construct a standard list of items for a whole country or even for cross-country comparison. At the other extreme a specific survey instrument can be designed that is culturally attuned to a particular area or ethnic group. The more general, the greater is the scope for assessing national programmes, whereas more location-specific data is potentially more useful for culturally targeted programmes, for example of NGOs working with indigenous groups. In either case, the approach provides more useful feedback on how people think and feel than reliance on a single life-satisfaction or happiness question. Dissemination and public discussion of the findings can also help to reduce the gap between what people really value and what was assumed.

Table 3. Correlation between satisfaction with latent needs and household poverty.

	Very poor	Poor	Not poor	F stat	Sig.
(a) Full sample					
Place to live better	2.17	2.02	2.10	3.75	*0.03*
Raise a family	2.53	2.50	1.95	3.35	*0.04*
Improvement from a secture base	1.98	2.01	1.94	0.26	0.77
Sample size	132	59	10		

Note: Italic indicates 10% significance or higher.

References

1. This quote comes from the Akumal manifesto: a mission statement from leading positive psychologists.
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2. For a full report see:
Bebbington, A. M. Connarty, W. Coxshall, H. O'Shaugnessy, M. Williams (2007). Mining and development in Peru, with special reference to the Rio Blanco Project. London: Peru Support Group.

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The WeD Programme

WeD is a multidisciplinary research group 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 has an extensive network of overseas academic associates as well as specific research partnerships with institutes in Bangladesh, Ethiopia, Peru and Thailand. The initial research programme began in October 2002 and researched rural and urban communities in the four countries. The main fieldwork for the initial research took place over a period of approximately 18 months.

The purpose of the research programme was to develop conceptual and methodological tools for investigating and understanding the social and cultural construction of wellbeing in specific countries. The practical definition of wellbeing that the WeD group has developed through its work over the last five years is that:

"Wellbeing is a state of being with others, where human needs are met, where one can act meaningfully to pursue one's goals, and where one enjoys a satisfactory quality of life."

Research into wellbeing involves exploring the extent to which people can achieve this state of being, and the social conditions that either enable or block this possibility.

This is a hybrid definition that differs from many of the ways the term wellbeing is currently used in academic and policy discourse. It combines both objective and subjective conceptions and transcends them by recognizing the way each is socially constructed. This definition means that any attempt to assess wellbeing or to understand the processes that affect it must take account of three dimensions of peoples' lives: the material, the relational and the affective/cognitive.

Researching Wellbeing

WeD has developed a suite of research tools in order to research wellbeing. This toolbox comprises six distinct but interconnected research components. Each of these is intended to generate data on key elements of the WeD conceptual framework or the connections between the elements. The six methods can be grouped into three pairs dealing with outcomes, structures and processes.

1 Outcomes - studying outcomes for persons and households both objectively and subjectively
a) Resources and Needs Questionnaire (RANQ)
b) Quality of Life (WeDQoL)

2 Structures - understanding the collectivities within which social human beings seek to achieve wellbeing, from the level of the community through the nation state to global structures.
a) Community Profiles
b) Structures and Wellbeing Regimes

3 Processes: investigating the processes that people engage in as they attempt to achieve wellbeing.
a) Income and Expenditure Studies
b) Process Research

More information on this methods toolbox can be found at *http://www.welldev.org.uk/research/methods-toobox/toolbox-intro.htm*

WeD Working Paper Series
A series of on-line working papers that illustrate the fundamental strategies behind the research programme and discuss the findings can be found at: *www.welldev.org.uk/research/working.htm.*
Print versions are available by contacting:
wed@bath.ac.uk

Selected WeD Publications

Altamirano, T., Copestake, J., Figueroa, A., Wright, K (2004). Universal and local understanding of poverty in Peru. *Global Social Policy*. 4(3):313-336.

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Copestake, J. (2008) Wellbeing in international development: what's new? Journal of International Development.

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