

How can sustainability enter a budgeting framework for human wellbeing?

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Introduction

Facing a choice of “**the economy vs. the environment**” is a poisonous false dichotomy. It is politically divisive and represents a **debilitating source of cognitive dissonance for the general public**.

Framing our options as impossible choices is, naturally, immobilizing. Regardless of the true risks we face, humans need a positive vision of the future to liberate our most proactive, creative, analytic, empathetic, open, and pro-social selves.

Fortunately, insights about human wellbeing provide for future trajectories which are both positive and feasible (Barrington-Leigh, 2017). Nevertheless, these potential benefits of a life satisfaction framing can be lost when measures of progress take on conflicting goals, undermining our ability to advocate for either wellbeing or sustainability.

A key challenge is that uncertainty about long term outcomes can overwhelm decision processes in the short term. **Calculating or articulating budget tradeoffs between near-term benefits and the most uncertain (risky) and long-run outcomes is doomed to fail** when it is not possible to precisely quantify the latter side of the equation. Broaching such issues together prevents productive resource allocation from happening in the present, largely by conflating objectives and dividing supporters.

This note outlines some prominent approaches to conceptualize sustainable wellbeing and warns against associated pitfalls. I advocate for keeping the notion of wellbeing, and its practical application, separate from a rhetorical approach to ecological constraints. This framework **focuses on promoting the compelling objective of wellbeing, while separating out the most perplexing long-run conundrums**. More (non-technical) detail is available in a [20-page paper](#).

Why life satisfaction?

The “science of wellbeing” offers a way to compare costs and benefits across a wide variety of domains and policy outcomes, creating synergies across traditional policy silos (e.g., health, housing, education) and focusing attention and resources towards improving life, as it is actually experienced subjectively by people.

How people experience wellbeing matters for politicians: the level of life satisfaction going into an election **explains more of the vote share** for incumbent government parties than traditional macroeconomic indicators like growth

rate, inflation, or unemployment. Low life satisfaction is associated with swings towards Republicans in the first Trump election and with far-right voting in France.

Based on what is known about the determinants of life satisfaction, it seems feasible to imagine a society with high life satisfaction but which is running down the resources left for future generations. If government policy is to shift towards an accountability to human wellbeing, how do we incorporate ecological health and sustainability into our objectives?

What measures of sustainable progress exist?

Often, efforts to “move beyond GDP” have tried to incorporate ecological health and human wellbeing into a unified index. This makes superficial sense; GDP famously is not a good measure of human quality of life, and GDP literally ignores the depletion of natural capital stocks. Here are some prominent approaches:

Ad-hoc indices CIW and SDG index offer a single number, an average of many measures related to diverse, laudable goals.

While the measures may be laudable, the Index is built with arbitrary (unaccountable) weights which don't withstand scrutiny by policymakers or experts.

Monetary indices Augmented-GDPs (Genuine Progress Indicators, Inclusive Wealth Index, etc), aim to capture progress by adding and subtracting natural stock losses, an adjustment for inequality, and so on, to GDP.

Estimates of these corrections can be rather speculative, and the scope of what is included largely reflects the availability of data and methods.

Capital stocks Along with proxies for current benefits, track also certain “stocks” in a dashboard.

Absolutely, dashboards should track measurable stocks whose near-term and medium-term implications to wellbeing are understood. But this is insufficient to deal with a number of long-term/complex questions.

Succeeding at neither

Pursuing well-being doesn't ensure environmental sustainability. Safeguards of environmental sustainability cannot be reduced to simple, principled, or scalar (single number) measures or in-

dices. By comparison, human wellbeing is a relatively unitary objective. Conflating wellbeing and environmental sustainability degrades both objectives.

The biggest risks in trying to combine wellbeing and sustainability indicators are rhetorical and political. While a public agenda of wellbeing could unify public perceptions and appetite, and synergize multiple government programmes and objectives, diluting it with hugely uncertain and therefore debatable long-term costs and risks will tend to neutralize the value of the scientific insights that are available about human wellbeing.

Accounting for future wellbeing

Governments use evidence-informed methods to decide to tax away some resources from today's consumption in order to invest in, say, subsidized childcare, public housing, a new bridge, or maintaining a watershed. Such investments can be worthwhile on the basis of building better lives in the future in exchange for a small wellbeing cost today. A wellbeing approach is sensible for these medium-range investments. Let's call those future wellbeing, not “sustainability.”

What is sustainability?

The meaning of “wellbeing” is precise and quantitative in the context of the life satisfaction approach. But what is sustainability? It is the considerations for future planning that are too speculative to fit into the paradigm (above) of predictable investment.

For long-run, unfamiliar, unpredictable, complex, and uncertain dynamics, these investment calculations are not feasible. How, then, are we to incorporate a concern for long-run risk or conservation into a framework which privileges human wellbeing?

Above all, the answer is to be willing to separate them (Neumayer, 1999; Stiglitz, Sen, and Fi-

toussi, 2009). There needs to be a second rationale, besides accountability to predicted changes in human wellbeing, that society accepts to justify limits.

Making use of separate principles will go far to preserve the value of a wellbeing budgeting approach, lest it become controversial, political, and opaque.

Maximise wellbeing within conservation limits

Broadly, **Barrington-Leigh-DRAFT 2020-budgeting for happiness** approach is to impose conservation limits on policy, and then focus on building better lives, taking the limits as given. This distinction is ultimately a rhetorical choice, but is informed by the scope of uncertainty and complexity in managing long-term risks.

For example, an energy transformation policy, an emission cap, and various phase-outs, can all be justified on ethical or identity grounds, without reference to future wellbeing. This frees up a purely-optimistic discourse for the pursuit of better lives.

Changing public expectations

The pursuit of life satisfaction makes sustainability policies psychologically palatable and therefore politically feasible (Barrington-Leigh, 2017). In fact, gradually shifting public conceptions of “a good life” away from the consumption-oriented values we have now is one of the **essential changes** needed for an ecological transition (Chan et al., 2020). The shift in perception will be towards a more empirically-valid account of humans as social beings in pursuit of meaningful contribution and interpersonal connection. We may need to investigate and address further the influences sustaining a consumption-oriented bias (power of advertisers in shaping broad beliefs?), but in the mean time, evidence is safely on the side of strong social determinants of wellbeing.

A focus on wellbeing without conflating it with highly speculative environmental costs and outcomes may liberate us from a variety of fears, identity threats, and partisan instincts.

An explicit **reorientation of public policy towards the determinants of life satisfaction is itself, therefore, a profound step towards achieving sustainability.**

References

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