



SITRA

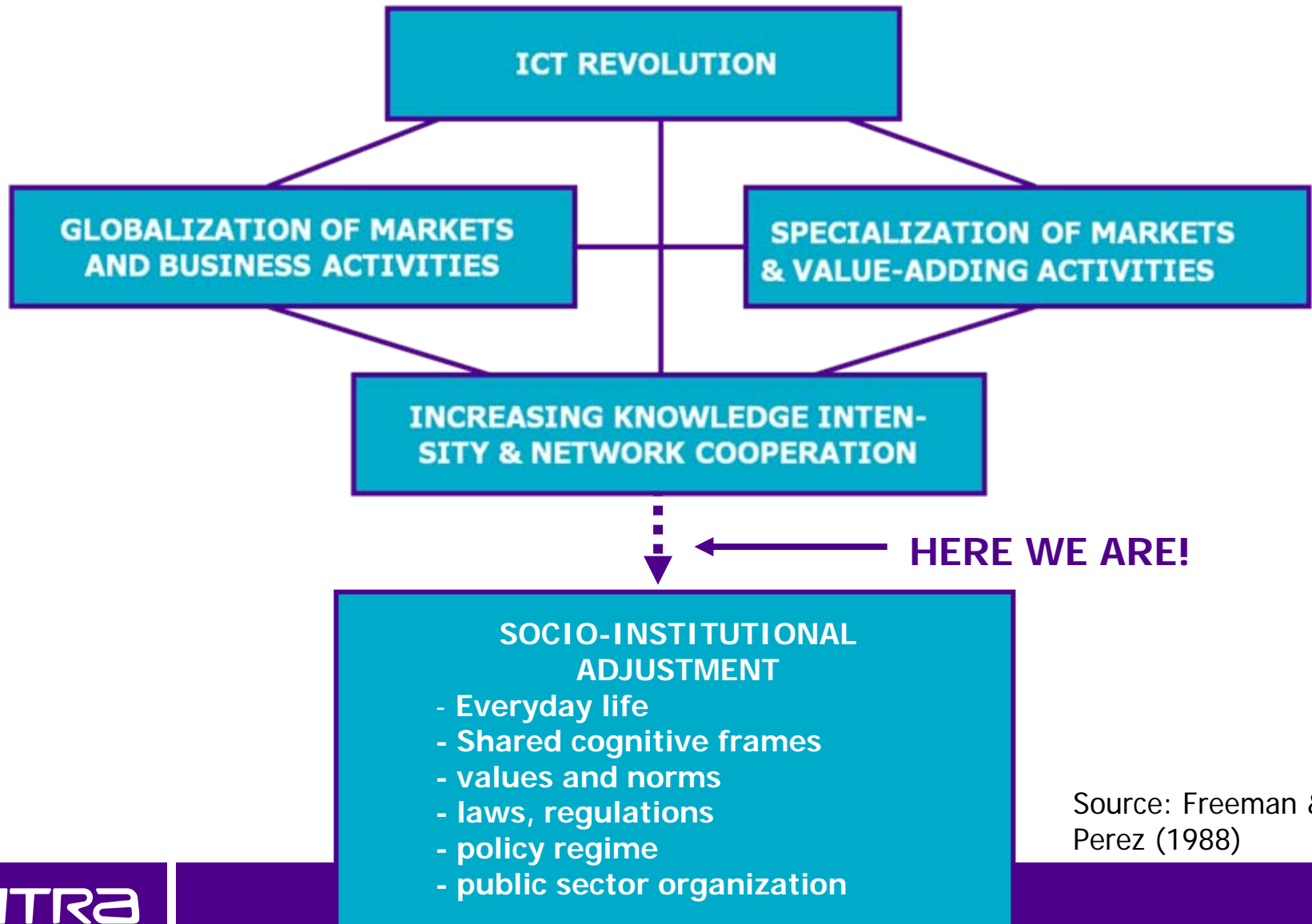
Silent transformation of well-being

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Glasgow Centre for Population Health Seminar
Series, 13th April 2011, Glasgow

Agenda

1. Our old definition of well-being is outdated ("silent transformation")
2. "Problem of choice" in everyday life
3. Pressures on Sense of coherence and mental well-being
4. Accumulating impacts of short-term and selfish decisions
5. Law of requisite variety & well-being
6. Policy implications
7. Well-being and economic competitiveness are not contradictory
8. Vision of a sustainable well-being society

Big picture: historical transformation



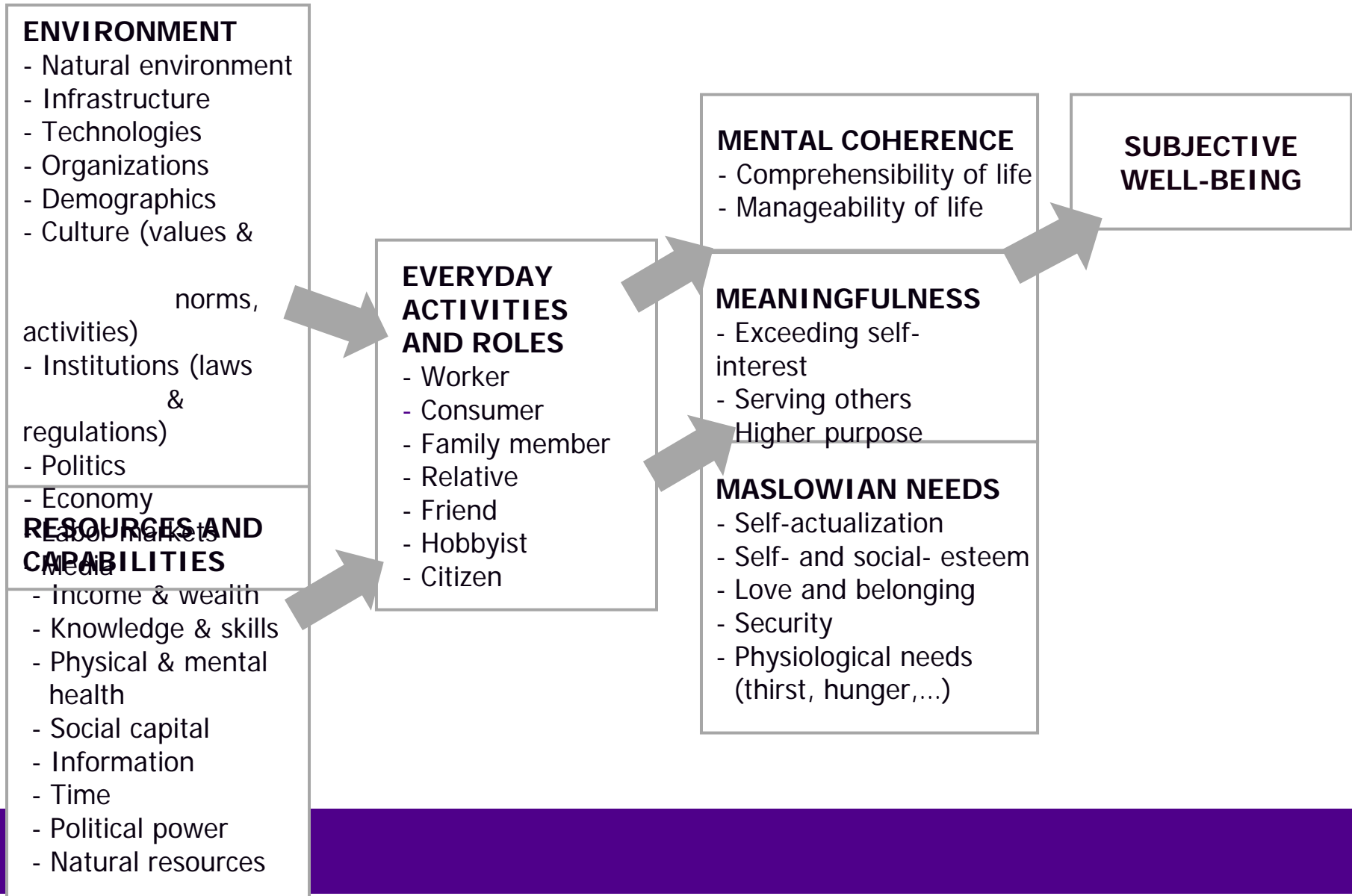
Source: Freeman & Perez (1988)

Instrumental discourse dominates

<p>Economy (crisis, globalization, competitiveness, efficiency, productivity, growth)</p>	<p>Welfare state (public finances, reorganizing services, social security, equality)</p>
<p>Everyday well-being?? (welfare?, subjective well-being?, happiness?, good life?)</p>	

Adapted from: Habermas (1987, Vol. 2)

Key drivers of well-being have changed



From deprivation to "Problem of choice"

Increased:

- resources & capabilities (income, wealth, health, info, knowledge)
- satisfaction of basic (material) needs
- freedoms (deregulation & normlessness)
- personal & resource mobility
- market supply & marketing pressure
- hurry (time remains fixed: 24/7)
- uncertainty due to transformation and complexity

→ Growing:

- problems in decision making (due to uncertainty, information overload, spillovers, normlessness)
- individualism
- selfishness (due to normlessness)
- conformomity to market and peer pressures
- short-termism and procrastination
- lack of loyalty in social relationships

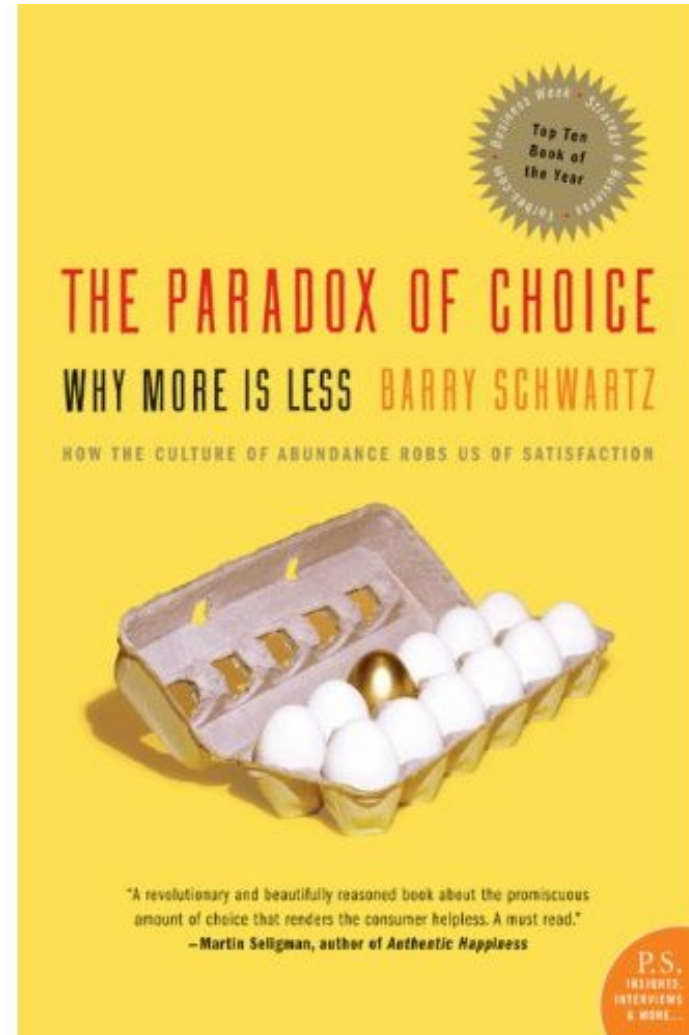


AVNER OFFER

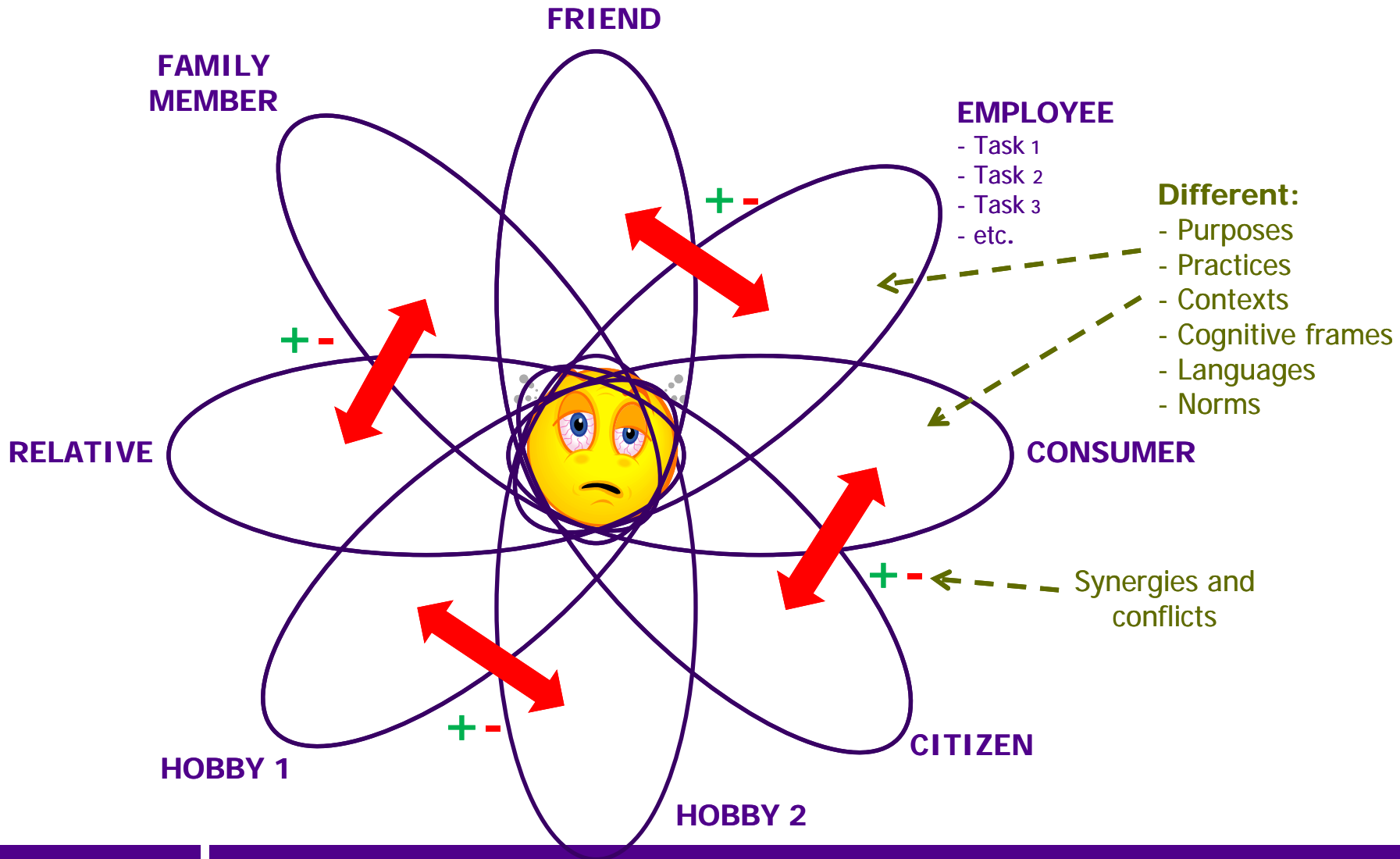
THE CHALLENGE OF AFFLUENCE

*Self-Control and Well-Being in the
United States and Britain since 1950*

OXFORD



Hectic life in affluent society



"Problem of choice" and higher needs

→ Social relationships and social needs

- Love and belonging
- Social esteem
- Self-actualization
loyalty

vs. individualism, selfishness, short-termism
(hurry), lack of

→ Purpose and meaning in life

vs. individualism, selfishness, market pressures, specialization & complexity

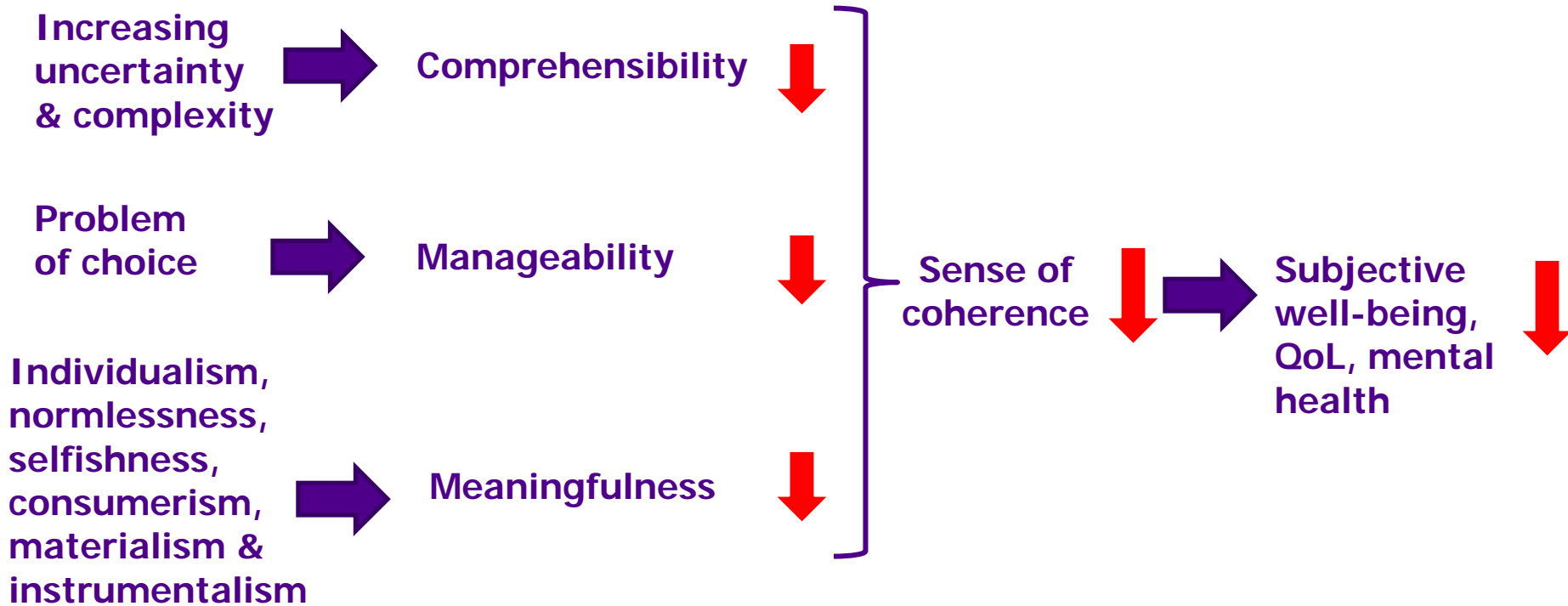
→ Mental coherence

- Comprehensibility
- Manageability

competing loyalties

vs. uncertainty, complexity, decision making problems, short-termism (hurry),

Antonovsky's sense of coherence (SOC)



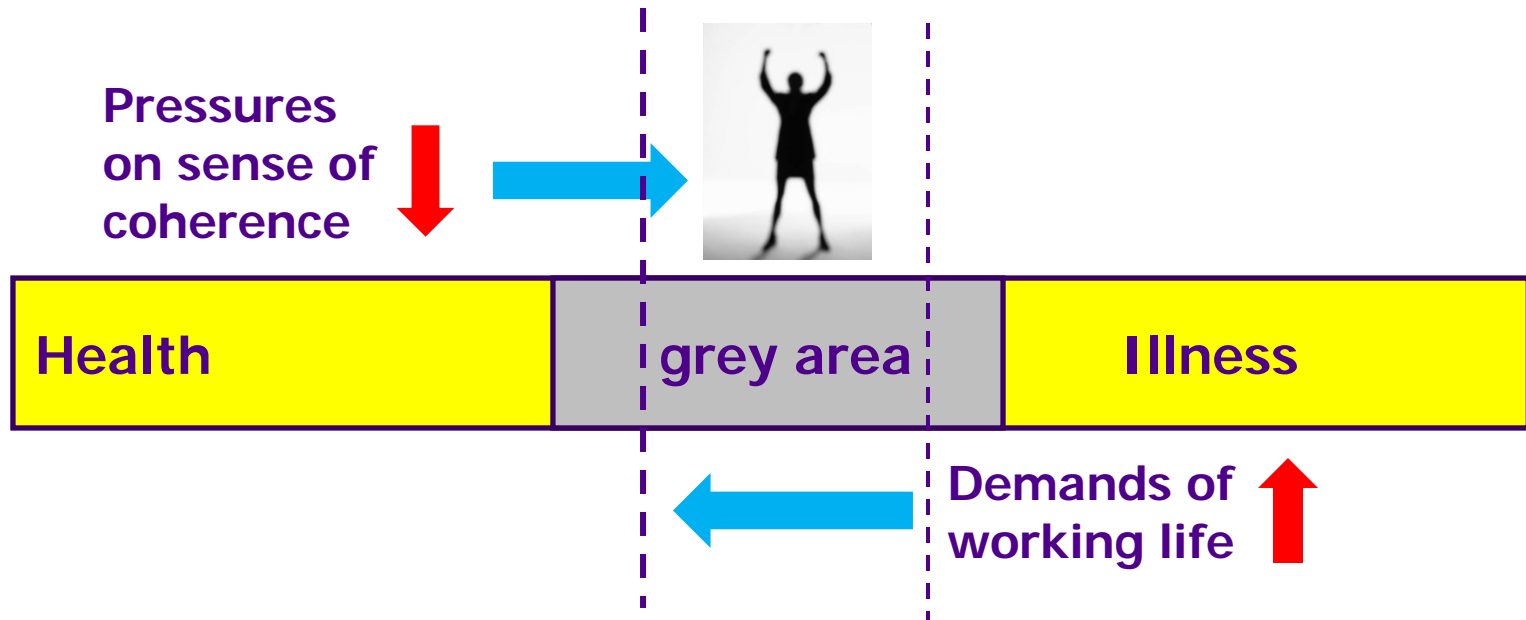
Source: Aaron Antonovsky;
Monica Eriksson & Bengt Lindström

Sense of coherence, mental health and well-being

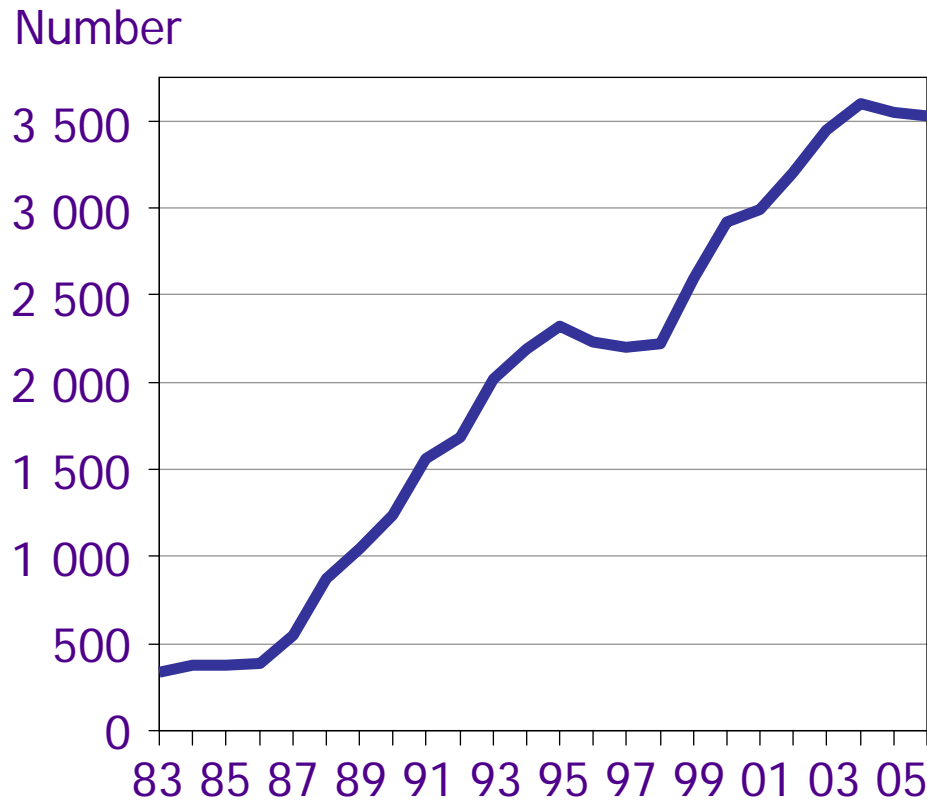
“The [empirical] evidence shows that SOC is strongly and negatively related to anxiety, burnout, demoralization, depression and hopelessness, and positively with hardiness, mastery, optimism, self-esteem, good perceived health, quality of life and well-being.”

Source: Bengt Lindstrom & Monica Eriksson (2005): “The Salutogenic Perspective and Mental Health”, in *Promoting Mental Health*, WHO)

Growing mental pressures and demands of working life



Sickness pensions due to depression in Finland, 1983–2006 (private sector)



Source: Finnish centre for pensions

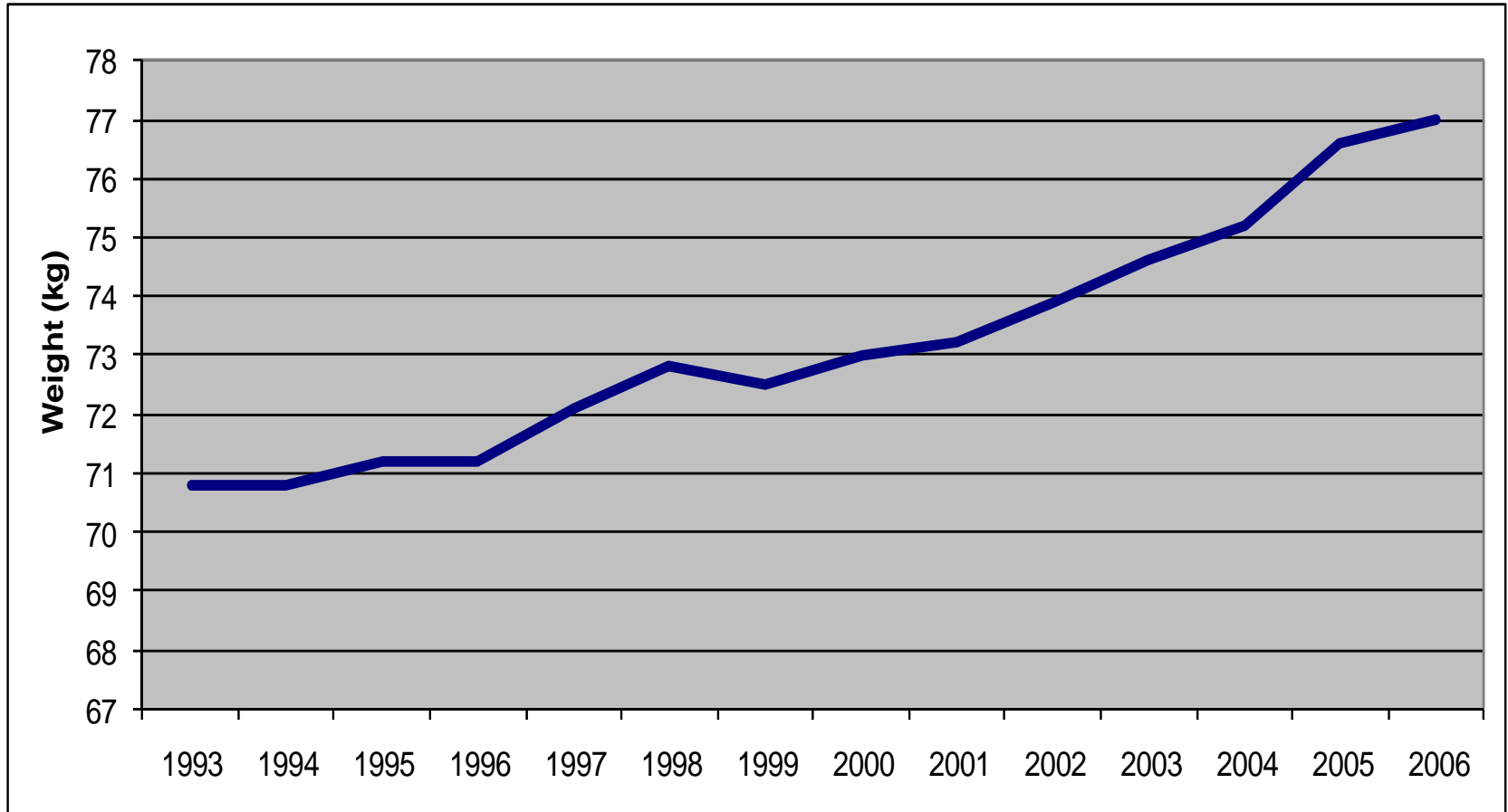
Key problems in decision making

1. Short-termism
2. Selfishness

1. Short-termism

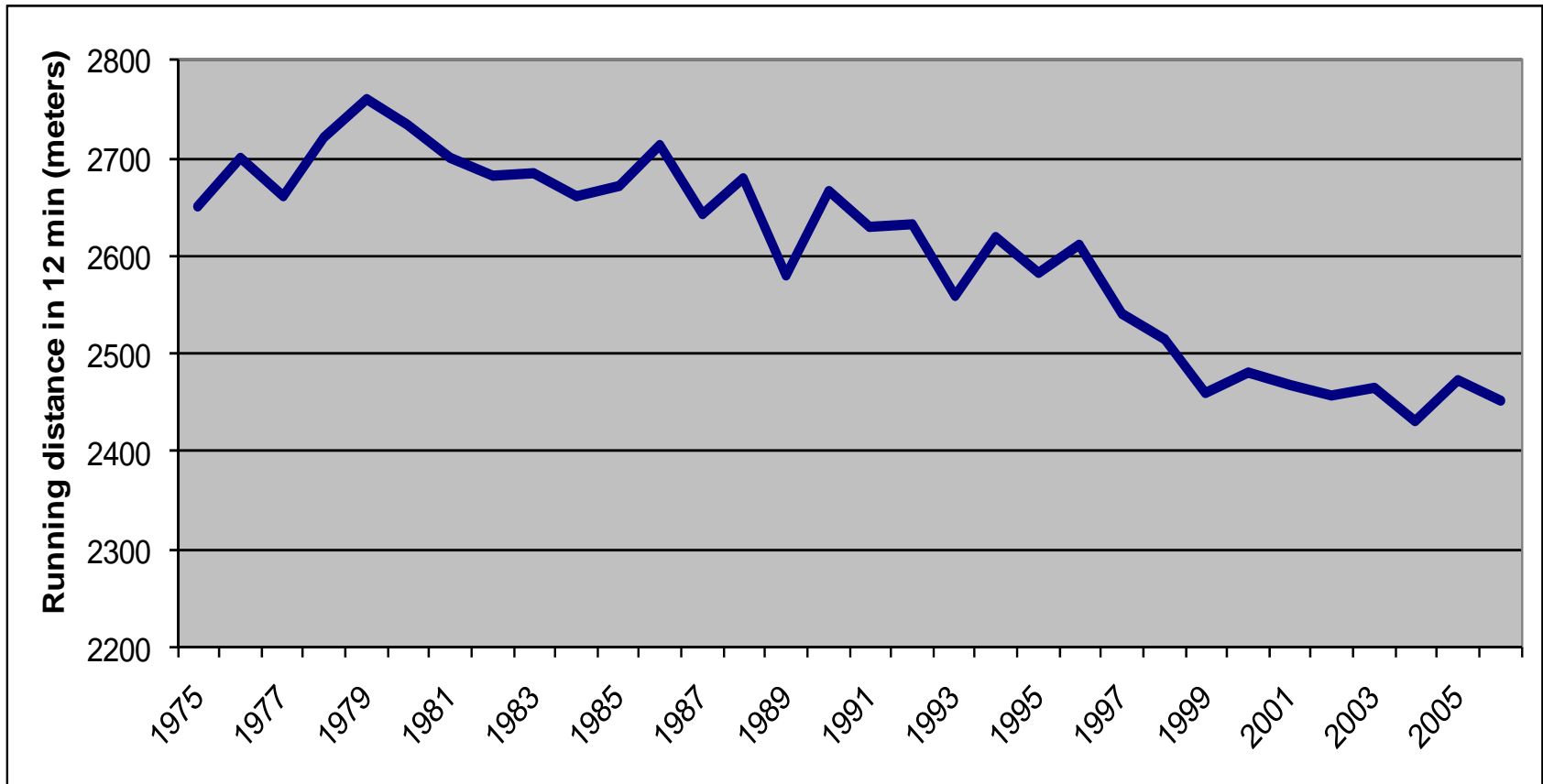
- People tend to be **myopic** in their decision making. **Instant gratification** and **procrastination** win over long-term interests (Ainslie 1992; Steel 2011).
 - People have particular problems in assessing the well-being impacts of their decisions if:
 - **their impacts extend long into the future**, and/or
 - **if their living environments are undergoing major changes** (Kahneman & Thaler 2006).
 - **People have more alternatives and choice than ever:**
 - resources, capabilities, freedoms and mobility have grown
 - behavioral norms and regulation has become less stringent
 - market supply (for instant gratifications) has increased
 - **But time is still a fixed resource (24/7).**
- ➔ Crowding of life's activities; growing hurry, short-termism and procrastination; decreasing commitment and loyalty ("grass greener on the other side...?").

Weight of new army servicemen in Finland (kg)



Source: Santtila et al., Finnish armed forces

Cooper test results of new army servicemen, 1975 - 2006



Source: Santtila et al., Finnish armed forces

STUDIES IN RATIONALITY AND SOCIAL CHANGE

Picoeconomics

The Strategic Interaction
of Successive Motivational States
within the Person

by
George Ainslie



The Procrastination Equation

How to **stop** putting things off
and **start** getting things done

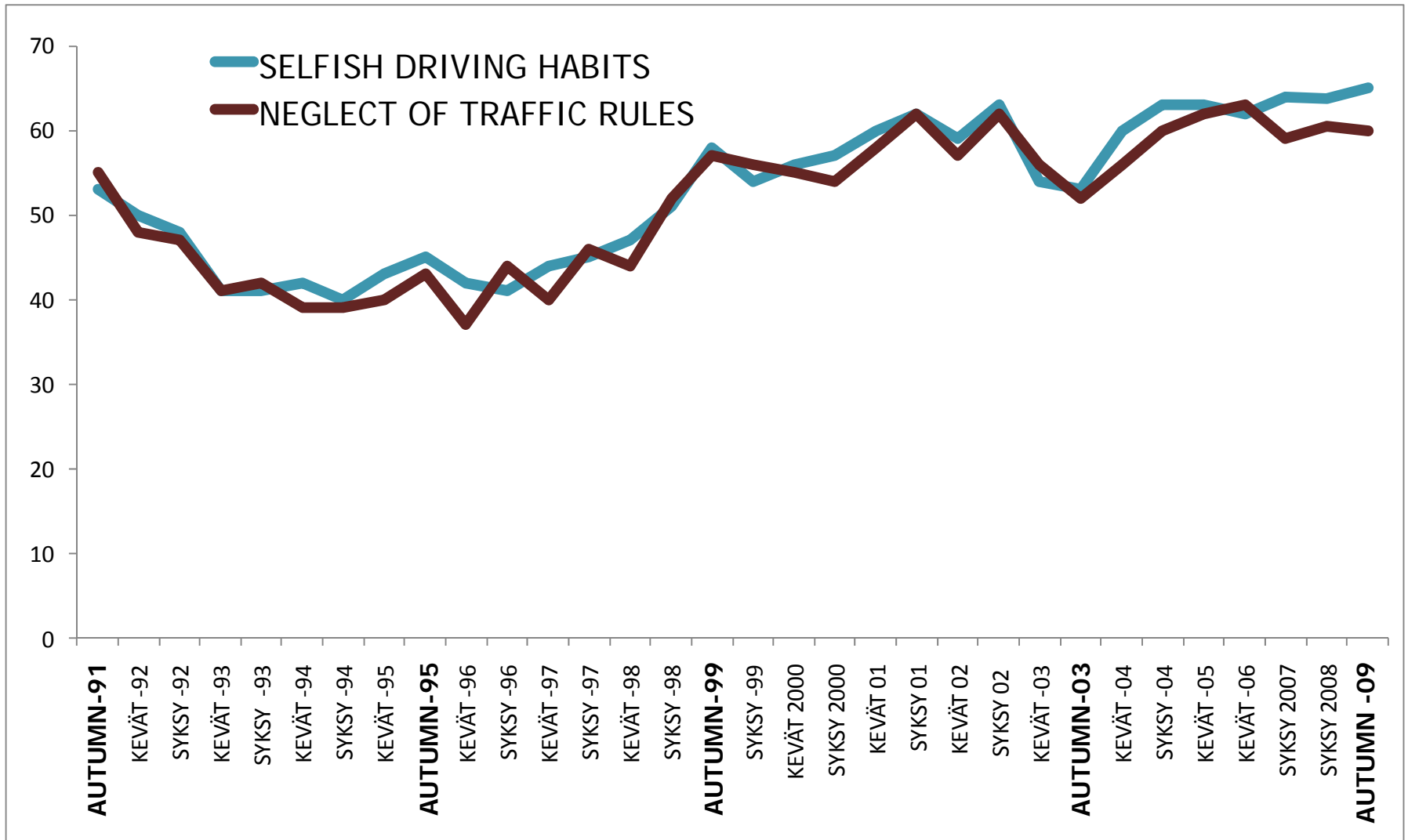


DR PIERS STEEL

2. Selfishness

- Strengthening of individualism as a value. Emergence of post-modern splintered culture and the decay of common cultural norms.
- Growing difficulties in understanding the full consequences of one's actions due to increasing specialization and complexity.
- Market ideology that legitimizes short-term and selfish choices. The "invisible hand" is assumed to take care of the common good.

Selfishness in Finnish traffic



Why do short-termism and selfishness decrease well-being?

Individual decisions often involve **small negative externalities** (or spillovers), which are not noticed, but which accumulate into big problems:

- **over time**, when the individual repeats the same decisions and behaviors
- **in large groups**, when numerous people make similar decisions

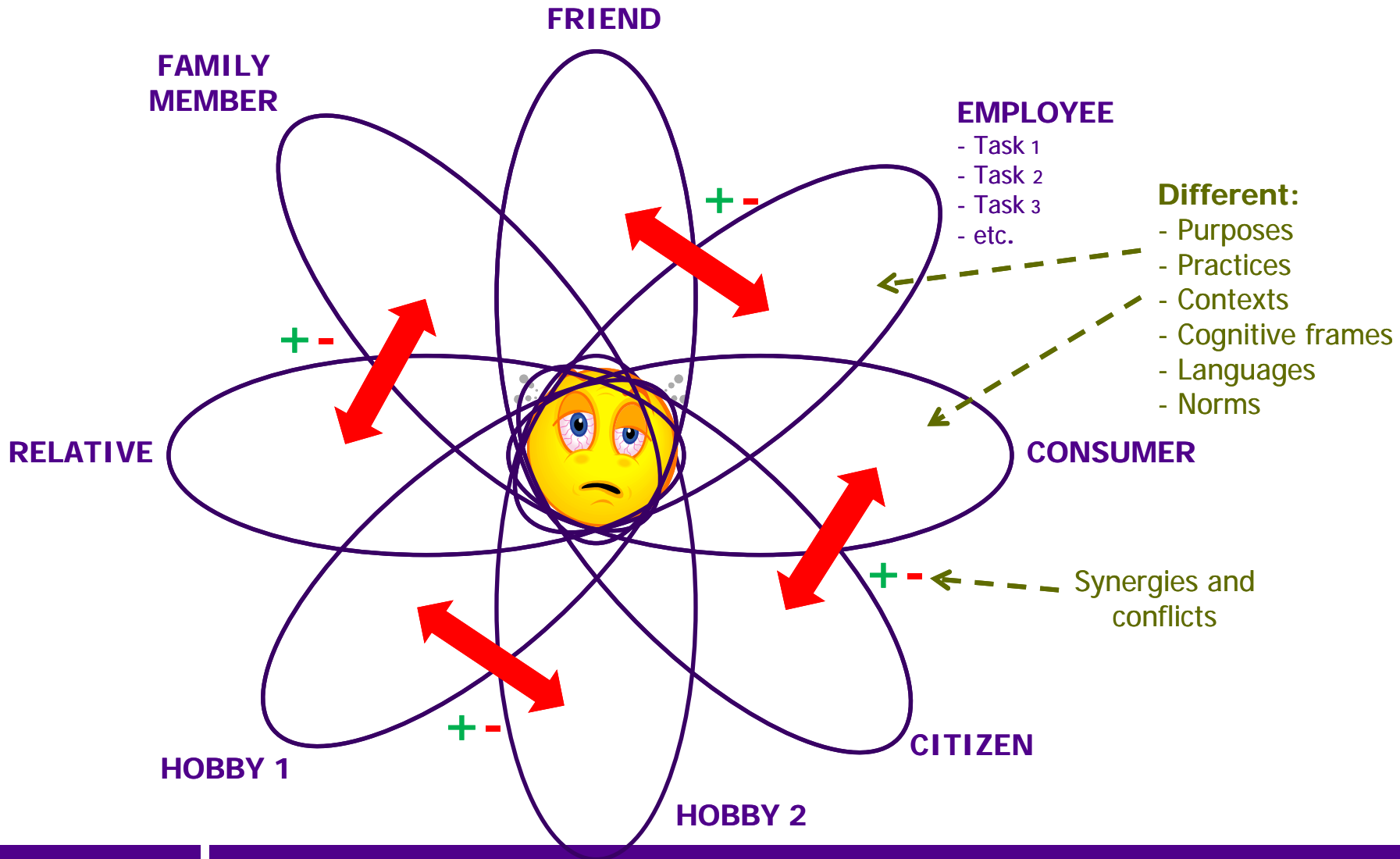
Short-term and selfish behavior has accumulating effects on well-being

- Unhealthy eating habits and inadequate physical exercise → obesity and related illnesses (e.g. diabetes 2)
- Alcohol, tobacco and drugs abuse → dependencies, illnesses and death
- Overconsumption → over-indebtedness
- High investments in career building or favorite hobbies → social relationships and child raising suffer, work related mental illnesses increase
- Postponement of having children → childlessness, greying of population
- Increasing tourism to far-off countries, more driving with cars → growing environmental problems

Accumulating impacts of individual decisions in the long-term and in large groups

Long-term	Life management problems (Kahneman, Giddens)	Environmental, child development, social relationship problems
Short-term	Hedonistic instant gratification dominates	Traffic jams, littering, status competition, etc. (Hirsch, Schelling)
	One's own well-being	Others' well-being

How could we improve well-being?



Stafford Beer: Viable System Model

- Organizational environments are increasingly dynamic and complex. Hierarchical organizations are too slow and inflexible to cope with this.
- Need to decentralize power, but then achieving cohesion and synergy becomes a problem.
- The Viable System Model offers a way of gaining both **functional decentralization** and **cohesion of the whole**.
- **Recursive structure**: All living systems are composed of a series of sub-systems, each having self-organizing and self-regulatory characteristics.
- Each viable system requires five elements: **operations**, **coordination**, **control**, **intelligence** and **policy** (direction, values, purpose).

Individual's life as a Viable System

- The everyday life of a human being is a system of subsystems in which different activities take place. Each activity adds value (well-being) and has its own goals, values, rules, languages, etc.
- The interdependencies and interfaces of each activity must be **coordinated** to operate **synergistically**. How well are our everyday activities coordinated?
- Is the whole system under our **control**? How does it affect our well-being as a whole? Can we manage our lives? (**coordination & control = manageability!**)
- **Intelligence**: Do we understand what's going on in the world around us? Or, who we are? (= **comprehensibility!**)
- **Policy**: What's the direction and purpose of our life? (= **meaningfulness!**)

Ashby (1958): Law of requisite variety

- The variety of the controller must be equal to that of the controlled.
- If the variety of disturbances (V_d) grows, old institutional responses/mechanisms (V_r) become inadequate in controlling them, and the variety (uncertainty) of outcomes (V_o) grows.
- Minimal value of V_o is $V_d - V_r$
- Given the variety of disturbances, the “goodness” or value of the outcome depends on the “capacity” (variety of responses) of the regulator (decision maker).
- Due to “limitation on ‘the capacity of Man’”, there is a limit to the variety (choice) that people can deal with.
- “Problem of choice” means an **overwhelming variety** of life options. Due to **limited time and cognitive capacity**, we cannot deal with this variety anymore. → **Life management problems!**

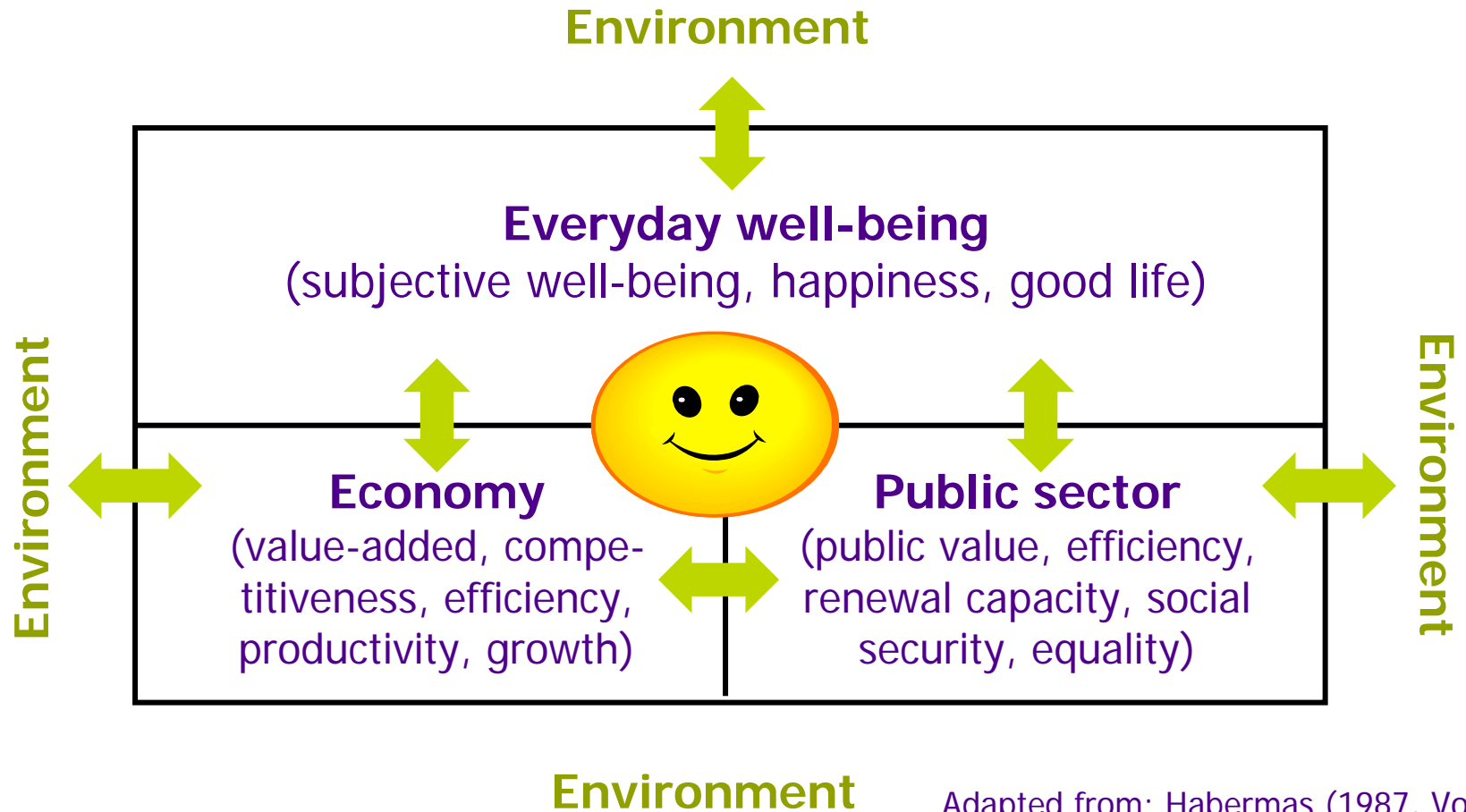
Policy implications?

- The variety of living environments must be reduced to manageable proportions by (a) **reducing variety** or (b) **increasing individual capacity (viability)**.
 - **Reducing variety and choice:**
 - Being more selective in one's commitments based on their compatibility and personal strengths (downshifting, flow activities, purpose, work & life bal.)
 - Outsourcing activities unimportant to well-being ("support economy")
 - Coherent living environments (cocooning, retro fashion & brands, nature, human-centric technology, cultural norms & regulation, customized services, working life, media)
 - Mindfulness training, fundamentalism, traditional values
 - **Improving capacity (viability):**
 - coordination & control (manageability): calendars, PDAs, peer support, close social relationships, health & rest
 - intelligence (comprehensibility): learning, new skills, meditation
 - policy (direction & purpose = meaningfulness): spiritualism, volunteering, serving others (or society)
- **Transformational human being (O'Hara)?**

Well-being and competitiveness are not contradictory

- Economic competitiveness and welfare (state) are often seen as contradictory: well-being = welfare state = high taxes & burdensome regulation → poor competitiveness
- However, the value-added of products and services depends on their contribution to everyday well-being. →
- Superior well-being knowledge supports the development of products and services with more value-added – and hence competitiveness.
- In addition, it helps: (a) people to live better lives; (b) public sector to produce services with more value-added, (c) policy makers to provide better public goods and institutions (e.g. living environments)
- An updated and sophisticated understanding of well-being provides and **overall vision** for the development of a new and sustainable socio-economic model.

Europe could lead in the road to a sustainable well-being society



Adapted from: Habermas (1987, Vol. 2)