

Chapter 4

Effects of Socioeconomic, Political, Cultural, and Other Macro Factors on QOL

I begin Part II of the book by a chapter that addresses the effects of objective reality on subjective aspects of QOL at the most macrolevel addressing the effects of socioeconomic, political, cultural, and other macrofactors. Country-level economic effects on subjective aspects of QOL will be discussed first, followed by political factors, followed by cultural factors. However, we start the chapter by providing the reader with a theoretical model to better understand the mediating effects between the macrofactors and subjective aspects of QOL.

1 A Theoretical Model Linking Socioeconomic, Political, and Cultural Factors with QOL

MacFadyen, MacFadyen, and Prince (1996) developed a model that helps explain how the socioeconomic factors affect subjective well-being. The model is shown in Table 4.1. The mediating effects are evident between the first column and the last column. The first column shows the aggregate (macro) environment: economic, social, demographic, and geographic factors. Column 2 shows evaluations related to each individual in particular economic, social, and demographic situations. Column 3 shows individual's evaluation of these situations. These evaluations are based on the situations as articulated in column 2. Column 4 shows various psychological and physiological effects of these situations. Columns 5 and 6 show behavior of the individual in the specified period, which reflect subjective and objective components. For example, an economic condition (aggregate general environment) such as economic recession may cause an adverse consequence to a specific individual such as losing one's job (individual environment). This unemployment situation will be interpreted by the individual as an adverse life circumstance (subjective evaluation of the environment). The individual may experience stress as a result of this subjective evaluation of this environmental condition (individual characteristic).

Table 4.1 A socioeconomic model of QOL

→	→	→	→	→	→	→	→	→
Aggregate general environment (cost/benefit)	Individual environment (cost/benefit)	Subjective evaluation of environment (cost/benefit)	Individual characteristics (cost/benefit)	Subjective individual behavior (cost/benefit)	Objective individual behavior (cost/benefit)	Aggregate subjective and objective behavior (cost/benefit)		
General economic environment (e.g., recession, high unemployment)	Individual economic environment (e.g., unemployment)	Economic environment (e.g., job loss)	Physiological (e.g., genetic, constitutional, and health factors)	Benefit (e.g., positive personal and social work adjustment, self-esteem, coping, and health)	Benefit (e.g., positive personal and social work adjustment; no behavioral or health problems)	Benefit (e.g., increase in population reports of well-being—subjective)		
General social environment (e.g., social disintegration, good community network)	Individual social environment (e.g., divorced, married)	Social environment (e.g., quality of social support is poor)	Psychological (e.g., personality, emotions, knowledge, perceptions, values, attitudes, beliefs, attributions, cognitive style, anticipations, evaluations)	Cost (e.g., negative self-report of life adjustment, self-esteem, psychopathology, and health)	Cost (e.g., maladaptive behavior, referral for behavior, psychiatric, or health problems)	Cost (e.g., increase in mortality due to alcohol consumption—objective)		
General demographic/geographic environment (e.g., immigration)	Individual demographic/geographic environment (e.g., several moves)	Demographic or geographic environment (e.g., new neighborhood is crowded)	Coping skills Competency Previous experience (e.g., failure)	Net benefits (e.g., self-report is positive relative to a reference group) Net cost (e.g., self-report is negative in relation to a reference group)	Net benefit (e.g., severity of behavioral adjustment is positive relative to a reference group) Net cost (e.g., self-report is negative relative to a reference group)	Net benefit (e.g., gross social product is higher in one nation than another) Net cost (e.g., quality of life report is lower in one country than another)		

Source: Adapted from MacFadyen et al. (1996, p. 296)

The stress experienced by the individual may cause loss of self-esteem (subjective individual behavior), which in turn may cause mental health problems (objective individual behavior). Given the fact that many people are likely to experience a similar chain of events, the economic recession would translate in lower reports of life satisfaction at the aggregate level (aggregate subjective and objective behavior).

2 Macro Effects on QOL

In this section, our attention narrows to examine specific macrofactors on the subjective aspects of QOL: economic factors, political factors, and sociocultural factors.

2.1 Economic Effects on QOL

There are many QOL studies that have examined economics effects on subjective aspects of QOL such as economic fluctuations, market openness, income inequality, unemployment, inflation, welfare system and public health insurance, and labor unions.

With respect to the effect of *economic fluctuations* on subjective aspects of QOL, a recent study by Madden (2011) examined the impact of the recent economic boom in Ireland on subjective well-being of Irish citizens. The evidence suggests a significant increase in life satisfaction (in financial well-being particularly) and mental health in general. Other economic booms may indeed play a positive role in enhancing subjective well-being, while economic busts do undermine people's happiness.

Tsai (2009) conducted a study to examine the impact of *market openness* on subjective well-being among nations. Using data from the World Database of Happiness (Veenhoven, 2006), the author captured subjective well-being using happiness and life satisfaction indicators. The author used Wacziarg and Welch (2003) operationalization of market openness: a country is "closed" if its average tariff rates are 40% or more, if its nontariff barriers cover 40% or more of its overall trade, if it has a black market exchange rate that is depreciated by 20% or more relative to the official exchange rate, if it has a state monopoly on major exports, and if its economy is considered socialist. The results showed that countries with a higher degree of market openness have people who report high levels of happiness compared to countries with lower degree of openness.

How about the QOL effects of *income inequality*? There is some evidence that suggests that income inequality is associated with both well-being and ill-being. Countries having the highest levels of income inequality rate highly on cultural values such as materialism and individualism, which are associated with lower levels of subjective well-being (Kasser, 2002). Posel and Casale (2011) conducted a large-scale national survey in South Africa to explore the relationship between perceptions of relative standing in income distribution and life satisfaction.

The study results indicate that comparisons with others and with oneself over time have significant effects on life satisfaction. People who believe themselves to be in the middle and richest thirds of the national income distribution report significantly higher levels of life satisfaction than those who rank themselves in the poorest third. Those who rank themselves in the richest third report the highest levels of life satisfaction. Furthermore, perceived ranking of income was found to be a stronger predictor of life satisfaction than actual income rankings.

A country-level analysis shows that higher national income inequality is positively related to a higher prevalence of mental illness (e.g., Pickett, James, & Wilkinson, 2006) and lower scores on well-being measures (e.g., Alesina, Di Tella, & MacCulloch, 2004; Oshio & Kobayashi, 2011). Alesina, Di Tella, and MacCulloch (2000) and Di Tella, MacCulloch, and Oswald (2003) reported that in Europe, greater income inequality is related to lower subjective well-being, but that in the United States, this effect is limited to those who are ideologically liberal in their political views. Veenhoven (2000) reported findings suggesting that while incomes in the United States and much of Western Europe have become increasingly unequal over the last three decades, the distribution of happiness in these countries did not change much. More recently, Ott (2005) and Veenhoven (2005a, 2005b) found that variations among countries in income inequality have no significant effect on average levels of well-being. Bok (2010) attributes these findings to the fact that Americans have a strong belief that hard work will get you the American dream. This means that if one does not succeed in America, then one cannot blame society for their misfortunes.

Although there is some suggestive evidence to support the notion that life satisfaction is negatively related to income inequality, there is also some evidence to suggest otherwise. Cheung and Leung (2008) argue that social comparison theory and range-frequency theory would predict that when most people have low income, they become satisfied because of the comparison effect. The study conducted by the authors provided evidence suggesting that people at different income levels may feel differently about income inequality, which in turn may affect their life satisfaction differently.

A large-scale study covering 35 countries involving 13-year-old boys and girls was conducted by Levin et al. (2011). The study examined the relationship between life satisfaction of the adolescents and family affluence. The results indicate a strong relationship between these two constructs. At the national level, the results also indicate that aggregated life satisfaction at the country levels is positively associated with national income and income inequalities.

Dolan, Peasgood, and White (2008), after reviewing the literature on the topic, have argued that empirical evidence from longitudinal studies shows that the impact of income inequality on subjective well-being can be negative. The greater income inequality over time, the lower the life satisfaction as evidenced in Europe. However, the negative effect seems to be moderated by political leanings, household income, hours worked, and significant increases/decreases in household income. The authors conclude:

...income inequality reduces life satisfaction, particularly for those with left wing political leanings and the poor.... for full time employed individuals, income inequality in one's

reference group (based on gender, region, and year) increases life satisfaction, particularly for those under 40, those on below average incomes and those who have experienced a greater increase in income over the last 3 years. The effect of income inequality is likely to vary depending on how the inequality is interpreted...What will be communicated through income inequality is likely to vary according to perceptions of mobility. Where mobility is perceived to be lower, such as Europe and Germany, inequality is found to have a negative impact (p. 108).

How about the QOL effects of *unemployment*? The effect of unemployment on subjective well-being is profound. Many studies have documented the devastating effects of unemployment on various measures of subjective well-being in western countries (e.g., Clark & Oswald, 1994; Winkelmann & Winkelmann, 1998) and Eastern Europe (e.g., Blanchflower & Oswald, 2000; Hayo, 2002). Also, there is much evidence that suggests that high rates of unemployment do contribute to the ill-being of nations (e.g., Frey & Stutzer, 2002). For example, Lucas and colleagues (2003, 2004) have conducted a 15-year longitudinal study involving individuals who experienced unemployment. They found that these subjects did not, on average, fully recover and return to their earlier levels of life satisfaction.

However, Dolan et al. (2008), who did a comprehensive review of the research literature on this effect, have concluded that the overall evidence in the United States and Europe is mixed. The relationship between unemployment and subjective well-being seems to be moderated by several factors such as political orientation and the level of economic development of the country. For example, Di Tella and MacCulloch (1999) reported findings suggesting that unemployment may negatively affect subjective well-being of people with a *left-wing political orientation* more so than inflation. Conversely, inflation negatively affects subjective well-being of those with a *right-wing political orientation* more so than unemployment. Helliwell (2003a) found that the negative effect of unemployment on subjective well-being is more pronounced in *rich than poor countries*. He attributes this moderating effect to the loss of self-respect among the unemployed in rich countries. Clark (2003) has provided evidence suggesting that unemployment is associated more strongly with lower subjective well-being in *regions where unemployment is low than where it is high*. This finding may signal a social comparison process. That is, people who are unemployed may feel worse when they compare themselves to others and notice that most of these “others” are employed rather than unemployed.

The effect of unemployment on happiness seems to hold in most *cultural contexts*. Graham’s (2009, 2011) analysis revealed that unemployed people are less happy than others across countries such as the United States, Europe, Latin America, and Russia. However, study findings from Afghanistan show no happiness difference between the employed and the unemployed. Graham attributes this anomaly to the fact that the distinction between employment and unemployment in Afghanistan is blurred because of Afghanistan’s large informal employment sector (subsistence agriculture and the drug trade) and three decades of adaptation to unemployment. A recent study conducted by Stanca (2010) found that the effect of unemployment on subjective well-being is larger in countries with higher than lower GDP per capita.

Dolan et al. (2008) verified the strength of the relationship but questioned the causal inference (also see literature review by Diener and Seligman, 2004 and a meta-analysis by Paul, 2005). It may be that some of the unemployed may be less productive, have poorer health, and have other characteristics that may lead them to feel dissatisfied with life. To rule out reverse causation (lower levels of subjective well-being may have led to unemployment), two longitudinal studies (Clark, Diener, Georgellis, & Lucas, 2008; Lucas et al., 2004) suggest that people who are later unemployed do not start out with low levels of subjective well-being. Instead, their subjective well-being after unemployment drops off significantly and remains low even after several years (even after most of them have succeeded in obtaining gainful employment) (cf. Wang & VanderWeele, 2011).

The collective evidence also suggests that the unemployment effect on life dissatisfaction is more prominent in relation to the following:

- *Men* than women
- *Middle aged* more than the young and old
- Those who are *more than less educated*
- Those *working individuals who have unemployed partners* than those in which they and their partners are both unemployed
- Those who are *chronically unemployed* than those unemployed for a short time
- Those who have *right-wing leanings* than other political attitudes
- Those in *high- than low-income countries*

Huppert and Whittington (2003) showed that unemployed people do not score significantly higher on *measures of ill-being* (e.g., mental disorders), but they score significantly lower on *measures of well-being* (e.g., flourishing). Similarly, Bockerman and Ilmakunnas (2006) explored the link between unemployment and subjective well-being using data from the World Values Survey focusing on four cross-sectional surveys in Finland. Subjective well-being was captured in terms of life satisfaction (“All things considered, how satisfied are you with your life as a whole these days?” responses captured on a 10-point scale) and happiness (“Taking all things together, would you say you are 4=very happy, 3=quite happy, 2=not very happy, or 1=not happy at all”). The results show that unemployment has a negative predictive influence on life satisfaction but not happiness. However, low-income respondents who are unemployed expressed unhappiness more than the other groups. This finding suggests that being unemployed has a negative effect at lower than higher levels of happiness.

Ouweneel (2002) examined the *interaction between unemployment and social security at the country level*. Specifically, the study examined the effect of having social security on the well-being of the unemployed at a country-level analysis. The expectation was that the unemployed should experience a higher level of well-being in countries that have social security than in countries that do not. The author analyzed 42 countries varying in social security expenditures as percent of GDP. Well-being was measured in terms of overall happiness, life satisfaction, and mood. No relationship between social security and happiness was detected. However, overtime data reveal that in high welfare states, changes in social security benefits are related to changes in well-being of the unemployed.

How about the QOL effects of *inflation*? Based on a thorough review of the research literature on this effect, Dolan et al. (2008) have concluded that there is some evidence suggesting that inflation has a negative effect on subjective well-being in Europe, in Latin America, and in the United States (e.g., Di Tella, MacCulloch, & Oswald, 2001).

How about the QOL effects of a country having a *welfare system and public health insurance*? Our intuition may hint at the notion that countries, states, and regions that have good welfare systems (and public health insurance) have citizens that are likely to have high levels of life satisfaction. This may be due to the possibility that a welfare system and health insurance provide people with a sense of financial security, and this sense of security spills over to life satisfaction. Moreover, it may be that citizens in high welfare states feel that they care for their poor fellow citizens, and this caring imbues them with positive feelings. One study showed that higher benefit replacement rate (unemployment benefit entitlements divided by an estimate of the expected wage) is associated with life satisfaction for both the unemployed and the employed (Di Tella et al., 2003). Pacek and Radcliff (2008) were able to empirically demonstrate the positive effects of welfare on well-being by investigating the well-being responses of citizens from 18 industrial democracies from 1981 to 2000. The welfare enhances well-being by enhancing people's sense of economic security. This sense of security in turn affects the sense of well-being in a variety of life domains, thus affecting life satisfaction overall. Using data from the European Quality of Life Survey (launched by the European Foundation for the Improvement of Living and Working Conditions in 2003), Bohnke (2008) was able to demonstrate that life satisfaction is positively associated with perceived reliability of the welfare system. Cheung and Leung (2007) proposed that the welfare system does affect life satisfaction in two ways: (1) through satisfying material needs and (2) through meeting ideal goals. The concept of how the welfare system meets people's material needs is straightforward; however, the second path related to idealistic goals requires elaboration. They argue that in a postmodern era, many people are not likely to accept social welfare because welfare is the antithesis of individuality, self-expression, and nonmaterialism. Hence, for people who have a postmodern orientation to life, being on the welfare rolls serves as a detriment to their life satisfaction. They conducted a large-scale survey among Hong Kong welfare recipients. Postmodern orientation (reflecting values of individuality, self-expression, and skepticism) was measured in this context as an average of ten items: "importance of romantic life," "no need for work to be useful to society," "no need for a commodity to have value," "no need for money in modern life," "no need for material possessions in modern life," "importance of developing human qualities," "importance of free expression," "need for expression of unique characters," and "feeling upset if unable to present one's character" (Seippel, 1999). The study results supported the negative relationship between perception of social welfare adequacy and life satisfaction for those who scored high on the postmodern orientation measure. In sum, according to Dolan et al. (2008), who conducted a comprehensive literature review on this topic, the evidence, although limited, points to a possible relationship but not a strong one.

Do *labor unions* improve the QOL of citizens, at least in the subjective sense? Flavin, Pacek, and Radcliff (2010) made an attempt to answer this question using data from 14 industrial democracies (Australia, Canada, Finland, France, Germany, Great Britain, Italy, Japan, The Netherlands, Norway, Spain, Sweden, Switzerland, and the United States) extracted from the World Values Survey. The authors argue that labor unions may contribute to happiness directly and indirectly. The direct mechanism involves job satisfaction. They argue that belonging to a labor union is likely to increase job satisfaction (through enhancing the sense of job security, empowering employees through a formal grievance system, reducing alienation by providing members with a collective say on how the workplace may be governed, providing social support that can reduce job stress, and ensuring a positive work environment), which in turn spills over to life satisfaction. With respect to the indirect effect, labor unions affect both organized and unorganized citizens by changing social arrangements in the country, which in turn contribute positively to QOL. The key study finding is that life satisfaction is positively associated with union density and union membership while controlling for salient economic factors (e.g., the level of welfare state social expenditures of a country). However, the study findings also revealed that this relationship seems to be most evident in relation to those with low income. The authors concluded by saying: “To sum as bluntly as possible, it is the most vulnerable members of society who are most positively affected by membership in and the influence of organized labor in the industrial world” (p. 447).

2.2 *Political Effects on QOL*

Do citizens of a country perceive their overall QOL higher if they live in a country that has a *democratic governance system* compared to those who live in countries that have autocratic systems? The notion that democracy increases life satisfaction is based on the belief that when people have more control over the fate of their communities, their economy, and other institutions, they also feel happier with their lives (Donovan & Halpern, 2002). What does the research indicate? Inglehart and Klingemann (2000) reported a very strong, positive correlation between the extent of democracy in nations and their citizens’ levels of subjective well-being. Effective and trustworthy governance also correlate positively with the well-being of nations, even when the level of democratic institutions is controlled for (Helliwell, 2003a, 2003b; Helliwell & Haung, 2008; Ott, 2010). That is, people report high levels of subjective well-being in countries with low levels of corruption and high levels of law and order.

The empirical evidence also suggests that *economic and political freedoms* are positively related with the level of well-being of nations (Inglehart & Klingemann, 2000). As a qualifier, economic freedom was found to be highly correlated with the well-being of nations that are poor, more so than those that are rich. Conversely, political freedom is correlated with the well-being of nations that are rich, more so than those that are poor (Veenhoven, 2000). In another study, Inglehart and

colleagues (2008) also found that the well-being effects of freedom were greater in countries that had more freedom and were more accustomed to freedom. Apparently, socioeconomic development that increases personal freedom and democracy in nations tends to play an important role in the well-being of nations (Diener, Diener, & Diener, 1995; Welzel, Inglehart, & Klingemann, 2003). In other words, income, human rights, and individualism tend to provide a climate in which people can exercise their capabilities for greater human development. Furthermore, political instability tends to negatively influence the level of well-being in nations. Examples may include the dismantling of the Soviet Union, changes in Belgium (the country was split into a federation), and the overthrow of the government of the Dominican Republic (Helliwell, 2003a; Inglehart & Klingemann, 2000; Veenhoven, 2002).

Frey and Stutzer (2002), in their book on *Happiness and Economics*, reported a study that links *participatory democracy* and happiness. Residents, especially nationals (not foreigners), living in jurisdictions with higher rates of political participation also report higher levels of happiness. Dorn, Fischer, Kirchgassner, and Sousa-Poza (2008) conducted a study in Switzerland using the Swiss Household Panel and found that the relationship between direct democracy that is practiced in Switzerland (however varied among the various Cantons) and happiness is tenuous at best.

Ott (2005, 2011) has conducted several analyses that revealed that *extent* and *equality* of happiness are positively associated with *good governance*, especially in relation to the technical quality of governance. Specifically, he defined technical quality of governance in terms of government effectiveness (i.e., the quality of public services, the degree of independence of civil service from political pressure, etc.), regulatory quality (i.e., the ability of government to formulate and implement policies that fosters the development of the private sector), rule of law (i.e., confidence in law enforcement and the judicial system), and control of corruption (i.e., government's ability to minimize the use of public office for private gain). The results also point to the possibility that good governance is not only associated (positively associated) with the extent of happiness but also with diminished inequality in happiness. However, the relationship between good governance and inequality in happiness is nonlinear. Specifically, inequality of happiness is highest in countries where the good governance is a medium level and lowest with good governance is high and low—bell-shaped curve. Also, the study findings indicate that there is a positive correlation between the *size of government* (amount of government consumption and expenditures) and happiness; however, this relationship is moderated by good governance (i.e., good-big government adds to happiness, but bad-big government does not). Ott (2010) reexamined the relationship between quality of governance (in particular the role of technical quality vis-à-vis democratic quality) and happiness in nations. The study showed strong and positive correlations between quality of governance and average happiness of citizens. Correlations between technical quality of governance and happiness were greater than the correlations between democratic quality and happiness. The positive relationship between democratic quality and happiness seems to be limited to rich, not poor, countries.

Cheung and Leung (2007) conducted a study in Beijing, China, to explore the relationship between citizens' perception of *government accountability* and life satisfaction, especially for those who are powerless (less educated and have low occupational status). Government accountability, in this case, was defined in terms of reduction of corruption and increasing tolerance and democracy. Their study results involving a large-scale survey in Beijing supported this proposition.

2.3 Sociocultural Effects on QOL

Recent QOL research has underscored the importance of *social quality* on QOL. Social quality is defined as the extent to which people are able to participate in the social and economic life of their communities under conditions that can enhance their well-being (Beck, van der Maesen, Thomese, & Walker, 2001; Beck, van der Maesen, & Walker, 1997; van der Maesen & Walker, 2005; also see <http://www.socialquality.org/site/index.html>). Social quality theory treats people as "social beings" (i.e., people interacting with one another). These interactions provide the context in which individual self-realization and fulfillment take place through collective identities such as families and communities. For individuals to experience self-realization and fulfillment, certain conditions have to exist: socioeconomic security, social inclusion, social cohesion, and social empowerment. *Socioeconomic security* refers to the extent to which people have sufficient resources over time to carry out their daily functioning. A minimum level of socioeconomic security is imperative to guard against the life-threatening effects of poverty, unemployment, and sickness. *Social inclusion* refers to the extent to which people have access to institutions that would allow them to realize their potential. In other words, a society has to have laws and regulations to minimize social exclusion. These laws and regulations are manifest in terms of citizenship rights, participation in the labor market, and unhindered access to public, for-profit services, as well as social networks. *Social cohesion* refers to the extent to which people have shared identities, values, and norms. Thus, social cohesion reflects social integration manifested in people's sense of trust, integrative norms and values, and social networks and identity. *Social empowerment* refers to the extent to which social networks and institutions serve to enhance the likelihood that people can realize their full potential. Social empowerment is reflected greater knowledge for self-development, access to labor markets, and institutions that are open and supportive of people in their question to realize their potential. An example of survey measures capturing two dimensions of social quality is provided by Monnickendam and Berman (2008) in Table 4.2.

Do *cultural values* play a role in the subjective aspects of QOL? Apparently they do. Let us consider the evidence.

Uchida, Norasakkunit, and Kitayama (2004) have argued that North American happiness is associated with both *personal achievement* (e.g., Emmons, 1991) and *self-esteem* (e.g., Diener & Diener, 1995). In contrast, in East Asia, happiness is contingent on *social harmony* (e.g., Kitayama & Markus, 2000; Suh, Diener, Oishi, & Triandis, 1998).

Table 4.2 A societal measure of social quality*Socioeconomic security*

This construct is captured using a composite of the following:

- Income security: An example of survey item: “Are you satisfied with your ability to meet all monthly household expenses?”
- Housing conditions: An example of survey item: “Are you satisfied with the warmth of your apartment during the winter?”
- Housing payments: Items asking respondents about their ability to make mortgage and utility payments
- Health: A seven-item scale designed to capture the extent to which health problems impact daily functioning and ability to pay for medical care
- Work conditions: Items capturing perception of workload and any adverse physical conditions of the workplace
- Access to paid employment: Example of survey item: “What was your main activity over the last 12 months?”

Social inclusion

- Items capturing satisfaction with the nature and frequency of contact with family and friends
- A measure of altruism within a family setting (i.e., a three-item measure asking respondents whether they help dependent parents financially, with personal care, and with daily activity such as shopping, cleaning, and cooking)

Source: Adapted from Monnickendam and Berman (2008)

Consider this additional study that asked European-Americans and Asian-Americans to list five important goals they hope to achieve in the next month (Oishi & Diener, 2001). The study participants rated the extent to which each goal is related to *independence* (one’s own fun and enjoyment). The same participants rated their life satisfaction a month later by focusing on what they have achieved during the past month. The life satisfaction scores of European-Americans increased as more independent goals were achieved. In contrast, Asian-Americans’ happiness increased when goals rated as less independent were achieved.

In another study, Kwan, Bond, and Singelis (1997) examined the role of both *self-esteem* and *social harmony* in life satisfaction judgments among survey respondents in Hong Kong and the United States. The study found that self-esteem was the only predictor of life satisfaction in the US sample, whereas both self-esteem and social harmony were equivalent predictors of life satisfaction among the Hong Kong respondents.

How do people *experience positive and negative affect in different cultures?* Bagozzi, Wong, and Yi (1999) found that positive and negative affect are negatively correlated in a US sample but are positively correlated in an East Asian sample. In other words, whereas American typically may experience positive and negative affect as bipolar opposites, East Asians may experience these emotions simultaneously, or conjointly.

Kitayama, Markus, and Kurokawa (2000) were able to demonstrate that people in independent cultures (e.g., United States) tend to maximize their happiness by increasing their positive emotions and decreasing their negative ones. In contrast, people in interdependent cultures (e.g., Japan) are motivated to secure a balance between positive and negative emotions (cf. Oishi, 2002).

Table 4.3 What is cultural efficacy?*Positive group membership evaluation*

e.g., “I love the fact I am [Maori]”

Sociopolitical consciousness

e.g., “It’s important for [Maori] to stand together and be strong if we want to claim back the lands that were taken from us”

Cultural efficacy and active identity engagement

e.g., “I have a clear sense of my [Maori] heritage and what it means for me”

Spirituality

e.g., “I feel a strong spiritual association with the land”

Interdependent self-concept

e.g., “My [Maori] identity belongs to me personally. It has nothing to do with my relationships with other [Maori]”

Authenticity beliefs

e.g., “You can always tell true [Maori] from other [Maori]. They’re real different”

Source: Adapted from Hookamau and Sibley (2010)

This evidence is consistent with a study based on a large-scale international survey that provided evidence suggesting that the average level of happiness is much higher in individualistic cultures than in collectivistic ones (Diener et al., 1995).

How does *economic development interact with cultural values* in relation to happiness? Ahuvia (2001) theorized that economic development serves to boost subjective well-being by enhancing the sense of individualism in society. Increases in economic development lead to higher individual income and consumption. Higher levels of income and consumption induce people to focus on satisfying their own individual needs, which in turn contribute to higher levels of cultural individualism (and lower collectivism). And it is increased individualism in rich nations that accounts for observed higher levels of subjective well-being compared to poor nations.

Does *cultural acculturation* of immigrants play a role in happiness? Zheng, Sang, and Wang (2004) conducted a study that examined the effect of acculturation (integration, separation, assimilation, and marginalization) on subjective well-being among Chinese students in Australia. The study results indicated that Chinese students who were more *integrated* had significantly higher levels of subjective well-being than others who were assimilated, separated, or marginalized.

What about *cultural efficacy*? Cultural efficacy refers to the extent to which indigenous people become enculturated to the extent that they develop a positive cultural identity that buffers negative life events, thus promoting social, health, and economic well-being (see example measures in Table 4.3). Consider the following study: Hookamau and Sibley (2011) focused on the Maori (the indigenous people of New Zealand). The authors assert that social statistics show that compared to the nonindigenous people of New Zealand, the Maori have higher levels of unemployment, lower life expectancy, lower income, and increased rates of incarceration. The authors attempted to demonstrate that these negative outcomes can be ameliorated by promoting the Maori culture among the Maori people (i.e., enhancing

cultural efficacy). Specifically, they were able to empirically demonstrate that the Maori people who report high levels of cultural efficacy (subjective perception that one has the personal resources to engage appropriately with Maori in a cultural context) also report higher levels of personal well-being (satisfaction with personal aspects of one's life and circumstances) and national well-being (satisfaction with the state of the nation and society in general).

Does *social change* at the societal level affect the QOL at the individual level? This relationship was recently investigated by Cheung and Leung (2010). According to the authors, "social change is a macroscopic, societal instance that takes place in the economy, polity, community, culture, and people collectively such as social movements and population aging." Other examples of social change include economic recession, decolonization, urban development, westernization, and large-scale migration. The authors theorized that social change affects personal QOL through the individual's experience with social change. This experience may adversely shape societal QOL and quality of work life, which in turn decreases personal QOL. However, once a person attains a high level of QOL, social change is not likely to influence personal QOL. By the same token, those with a lower personal QOL tend to be adversely affected by social change. In other words, the adverse impact of social change is buffered by the person's prior QOL. Based on adaptation theory, the authors argue that the QOL impact of social change is not enduring. People do adapt to their changed circumstances. But some adapt better than others. Those who have a higher personal QOL to begin with are capable of buffering the adverse effects of social change and adapt much faster than those who have lower quality of life. This theoretical notion was supported by data from a three-wave panel survey in Hong Kong. Social change was captured in this survey using a single survey item: "How much change in society did you experience in the past 6 months?" Personal QOL was captured using domain satisfaction items (satisfaction with personal finance, social life, leisure life, and work life) as well as satisfaction with life as a whole. Quality of work life captured satisfaction with experiences at work: challenging work, pride in the organization, pride in work achievement, a sense of egalitarianism within the organization, being evaluated highly at work, being proud of one's career, and receiving recognition from work associates. Societal QOL was captured through respondents' perceptions about QOL of the society in terms of leisure well-being, economic well-being, and work well-being (during the past 6 months preceding the survey).

How about the effect of *pace of life* on QOL? Garhammer (2002) conducted a study on time use in Germany and found that the increasing pace of life (less time for leisure and recreation) is positively associated with subjective well-being. This finding is shown through an individual level and a cross-cultural level. The author explains this finding using modernization theory. QOL is positively associated with economic development and the rise of living standards. The modernization of society comes with an increase in the pace of life. However, the adverse effects of this increase in the pace of life are counterbalanced by the positive returns of economic development. A second explanation is the idea that the increase in the pace of life is accompanied with choices of activities that people engage in and find fulfilling.

3 Summary

As we have seen from the evidence described in this chapter, socioeconomic, political, and cultural factors do indeed affect subjective aspects of QOL. The MacFadyen et al. (1996) model is a theoretical model helping us to understand how these macrofactors can translate through a chain of events to ultimately affect subjective aspects of QOL such as life satisfaction.

The evidence shows that macroeconomic factors such as economic fluctuations may affect QOL in positive ways during times of economic booms and by the same token may adversely affect QOL adversely in times of economic busts. Market openness seems to play a positive role in QOL, however less so for income inequality. Unemployment is negatively associated with subjective measures of QOL and similarly in regard to inflation (however, a weaker effect). Countries having a welfare system, public health insurance, and strong labor unions may experience QOL increments.

Countries that have democratic governance systems may do better than countries having autocratic systems. Countries having economic and political freedoms may also benefit in terms of QOL. Participatory democracy is a positive factor too. The quality of governance (i.e., good governance) plays a positive role in the country's level of QOL, especially in countries having "big government." Countries that have citizens believing that their public officials are trustworthy and accountable to citizens tend to benefit from a QOL increment.

Culturally speaking, cultural values of the country seem to play an important role in the subjective aspects of QOL. Happiness seems to be associated with values such as personal achievement in western countries; however, in eastern countries, happiness is more associated with values such as social harmony. In western cultures, people's happiness tends to comprise mostly positive affect. In contrast, people's happiness is mostly reflective of balance between positive and negative affect. And because happiness in general is more of a western cultural value than an eastern one, this may help explain why western country people report higher levels of happiness than people in eastern countries. Economic development at the country level seems to boost a sense of individualism, which in turn translates into higher levels of happiness. Cultural acculturation also plays a role in QOL. Immigrants who are better acculturated tend to experience higher levels of QOL than those who are less acculturated. And indigenous people who maintain a high level of cultural efficacy tend to do much better than those who fail at cultural efficacy.

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