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September 2021

# Dimensions of Well-being

This brief summarizes the insights shared in the online workshop "**Dimensions of Well-being**", where participants presented and discussed their latest research relating to the dimensions of well-being. The two-day workshop was organized by the Stockholm Institute of Transition Economics (**SITE**) as part of the Forum for Research on Gender Economics (**FROGEE**) and took place on 28-29 June, 2021.



It has been roughly 18 months since the first cases of Covid-19 were reported in Europe. So far the total number of deaths worldwide has passed 4.4 million (John Hopkins University, 2021), unemployment is trending upward in most countries (ILOSTAT, 2021), roughly half of the world's students have been affected by school closures (UNESCO, 2021), and an alarming increase in domestic violence has been reported across the globe (UN Women, 2020).

It is safe to say that this pandemic crisis has had a multifaceted impact on our lives. Identifying what factors contribute to overall well-being and understanding how they interact with one another is central in designing and implementing solid and effective recovery policies.

Stockholm Institute of Transition Economics invited international experts to an online workshop where they discussed and presented their recent research relating to the dimensions of well-being. The workshop was organized as part of the Forum for Research on Gender Economics (FROGEE).

## Well-being in a pandemic

The government response policies intended to contain the spread of Covid-19 have undoubtedly had a major impact on society. However, estimating the overall effect of these policies on individuals' well-being is not necessarily straightforward. Economic support policies likely have a positive effect on income and decrease poverty. But at the same time, other responses such as lockdowns and mobility restrictions may not only have an opposite effect on these outcomes but also influence other known determinants of well-being such as social life or education.

Anthony Lepinteur, researcher at the University of Luxembourg, presented his recent work on the well-being consequences of the pandemic policy responses in Germany, France, Spain, Italy, and Sweden. Lepinteur and co-authors link survey data on subjective well-being measures to data on government economic policy and stringency

indices. The former index records financial policies such as income support, furlough schemes, and debt relief while the latter measures the strictness of Covid-19 containment and closure policies. The results show that more stringent policies reduce life satisfaction, and this negative effect is stronger for women, the unemployed, and those with relatively high income. Economic support policies are found to have no significant impact on reported life satisfaction.

As many countries have experienced major disruptions in many sectors of their economy, concerns have been raised about deteriorating labor markets and the effect this might have on living conditions and, ultimately, the well-being of individuals. Knar Khachatryan, associate professor at the American University of Armenia, shared research studying the impact of Covid-19 on multidimensional deprivation from labor market opportunities in Armenia. Knachatryan and co-authors base their analysis on two surveys from 2018 and 2020. To measure labor market opportunities, they adopt the “Alkire-Foster method” to develop a multidimensional index of labor market deprivation – a basket of indicators explaining an individual's degree of labor market opportunities (e.g. education, employment status, income, type of work contract, and union membership). With respect to this index, they find that education is the most important determinant of multidimensional labor market deprivation – those having less than a bachelor's degree are very likely to be deprived in terms of labor market opportunities. The results also show that the pandemic has widened the gender gap in labor opportunities. The number of people classified as deprived has increased more for women than men during the pandemic. This is primarily because women experienced stronger income reductions and more frequent job losses.

Thesia Garner, researcher at the U.S. Bureau of Labor Statistics, discussed how ex-ante levels of well-being have affected the outcomes of economic support policies during the pandemic. More specifically, her study investigates the role of



individual's well-being in determining their reported use of economic impact payments (EIP) in the U.S. Garner and co-author assess well-being using both objective measures (e.g. income sources, employment status) and subjective ones (e.g. depression, financial difficulty, expectations about job-loss or eviction). The findings show that those who report lower levels of subjective well-being are more likely to use the EIP to pay off debt, and this likelihood increases as the well-being measures worsen. Respondents who report having experiences of financial difficulty and negative expectations about the economy are more likely to spend the stimulus on nondurables and tend to allocate it to a wider range of spending categories.

In contrast to the U.S. and most other countries in the world, Belarus' government offered very little support to its citizens during the pandemic. **Lev Lvovskiy**, researcher at BEROc, presented findings on how different sectors of the Belarusian economy and society were affected by the pandemic. Using the BEROc/Satio survey data, Lvovskiy and co-authors examine that the country still had sharp drops in mobility and economic shocks mainly caused by lockdowns of major trade partners. The pandemic significantly increased the probability of income reductions and they show that financial distress associates with the incidence of depression of Belarusians.

## Gender and Wellbeing

Another central topic discussed at the workshop concerned the gender aspects of well-being and other related topics from gender economics.

An essential channel through which gender differences in well-being can arise is unequal representation in politics. **Sonia Bhalotra**, professor at the University of Warwick, presented a study on the relationship between maternal mortality and women's political power in 174 countries. Maternal mortality is the leading cause of death and disability for women aged 15-44, and

significantly higher in low-income countries - at levels similar to what high-income countries had in the early 1900s. Bhalotra and co-authors document that the costs of providing access to prenatal health services, antibiotics, and skilled birth attendance are relatively low. They therefore argue that there are likely other barriers to adopting these solutions. Male policymakers might have a weaker preference for preventing maternal mortality or less information on its prevalence and treatment. To gain insight, the authors use a staggered event-study approach and study the effect of gender quota implementations on the maternal mortality ratio (MMR, maternal mortality per birth). They find that, in countries that adopted quotas, the MMR declined by 10% following implementation, and this effect is stronger for larger quotas. Focusing on the mechanisms, the results show that gender quotas lead to a 5-8 percentage point (p.p.) increase in skilled birth attendance, a 4-8 p.p. increase in prenatal care utilization, 6-7 % decline in birth rates, and an increase in girl's education by 0.5 years.

**Elizaveta Pronkina**, researcher at Université Paris-Dauphine, also shared findings relating to gender and politics but from a historical perspective. Her research studies historic institutional differences across communist regimes and women's work experiences. The paper focuses on Lithuania and Poland, two countries that experienced different gender policies under a communist regime. After the second world war, Lithuania was controlled by the central government of the Soviet Union while Poland's government was able to preserve its independence although being part of the Soviet bloc. Based on anecdotal evidence, the two countries had the same religious and political policies but different enforcement – Lithuania faced a hard and Poland a soft form of communism. To isolate the impact of the Soviet policies on women's life decisions and account for differences in the countries' pre-communist era, the authors only include regions that were part of the Russian empire until the end of the first world



war. The findings show that women living under the Soviet regime were more likely to educate themselves and have on average two additional years of work experience (by 50 years of age).

A productive environment and reliable social interactions at work are also likely to be formative elements of people's well-being, and gender might factor in here. **Yuki Takahashi**, PhD candidate in economics at the University of Bologna, presented his paper on how being corrected by others affects one's willingness to collaborate with them in future work, as well as gender differences in these responses. Takahashi conducts a quasi-experimental design in which roughly 3000 participants individually and collectively solve a puzzle. The setting allows the researcher to observe individual ability, number of corrections, as well as whether the corrections were good (i.e., a mistake was corrected), or bad (i.e., a good move was corrected). The study analyzes how the different factors affect an individual's likelihood of being selected as a collaborator in a last puzzle-solving stage where both participants win cash earnings based on joint performance. The results show that both genders respond negatively to a correction, but women more so than men. Men are less likely to collaborate with a person who has corrected their mistake, particularly men with high ability. The gender of the corrector is found not to matter.

Domestic violence (DV) is another gender aspect of well-being that has become particularly concerning during the pandemic. For many victims, lockdowns and curfews have meant more exposure to their perpetrator. Mobility restrictions have also implied more social isolation from family members and friends as well as increased economic distress, two other factors known to exacerbate DV. In a preliminary study presented by **Damian Clarke**, associate professor at the University of Chile, he and co-authors address the relationship between DV and quarantines in Chile. They use longitudinal data on police DV hotline calls and use of women's shelters to measure DV incidence, criminal complaints of DV to police to

measure reporting, and mobile phone data to measure mobility. Exploiting municipal variation in the timing of lockdown entry and exit, the study shows that lockdowns lead to more DV incidence and less reporting. DV shelter use increased on average by 11% with entry and reversed with exit. DV calls to the police hotline increased by 86% and persists after lockdown exit. DV crime reports decrease by 5% and increases by 10% with exit. Moreover, the authors document that lockdowns activate both DV mechanisms – increased economic distress and decreased mobility. In municipalities where lockdowns had a stronger impact on unemployment and mobility, they also find larger changes in DV.

## Expectations About the Future and Parenthood

Two other studies presented at the workshop discussed the relationship between future expectations and well-being. **Claudius Garten**, researcher at the Technical University of Dortmund, presented findings on the role of homeownership. Garten and co-authors utilize individual-level survey data from 2007 covering 14 European countries. It contains information on homeownership status and wellbeing measures expressed as respondents' expectations about future living standards five years from today. They find that expectations about future living standards are higher among homeowners relative to renters and strongly associated with the value of housing assets, suggesting that material security through housing ownership works as a channel for future wellbeing. Garten further argued that since most countries included in the sample have experienced rising house property prices and increased rents since 2007, the divergence between renters and owners is likely to be even more significant today, especially in urban areas.

The second presentation that discussed expectations about well-being in later life was by **Alina Schmitz**, researcher at the Technical



University of Dortmund. Unlike housing, which is seen as a form of material security, Schmitz's study focuses on the role of health infrastructure quality. Availability of care services may be seen as a safety net in case of illness and care dependency and should thus have a positive effect on wellbeing. The study performs a multilevel analysis on the individual, regional and, country level using micro-survey data on individuals' life satisfaction and macro-data on the availability of long-term care beds, covering 96 regions from six European countries in 2015. The results show that the quality of care infrastructure is significantly related to the wellbeing of those aged above 50. Moreover, care infrastructure is particularly important for the wellbeing of those with health limitations (i.e. those who require that infrastructure either now or in the future).

Parenthood is another factor that is commonly thought of as a source of happiness. Contrary to this idea, European populations are aging rapidly and the young today have fewer children than the generations before them. The reason why people choose to have few children could be several – e.g. high opportunity costs and/or low benefits of having a large family. Is the fertility rate we see in the developed world today a result of the well-being-maximizing decisions of individuals? This is the main question asked in the paper presented by **Barbara Pertold-Gebicka**, assistant professor at the Institute of Economic Studies at Charles University. Her study utilizes European survey data to investigate the effect of having an additional unplanned child in five developed countries. To measure the effect of an additional unplanned child and deal with the fact that happy individuals tend to have more children, Pertold-Gebicka and co-author compare people who had twin births in their second pregnancy with parents of two children. Apart from life satisfaction, the most common wellbeing measure, the authors construct a second measure of wellbeing denoted as the happiness index – normalized value summarizing five questions about feelings over the last 5 months, interpreted as the relative

frequency of positive feelings. They find no significant effect of having a third child on the well-being of parents. However, when separately looking at groups divided by age of children, they find that the effect of having an additional child on well-being is negative for fathers of younger children and positive for those of teenagers. For the parents of younger children, they show that the negative effect of having a third child is likely driven by increased feelings of nervousness and problems relating to accommodation.

## Measuring Inequality and Social Deprivation

Some aspects of wellbeing such as feelings of unfairness or social connections can be quite ambiguous to study as they depend on context and are hard to quantify.

**Nicolai Suppa**, researcher at the Centre for Demographic Studies at the UAB, presented his research aimed to improve the measurement of deprivation in social participation (DSP) and complementing previous work with an additional outcome variable measuring a different dimension of deprivation. The study uses German survey data to measure how often common social activities are performed and then uses an intersectional approach (similar to the “**Alkire-Foster method**”) to assign individuals as deprived based on if and how often they practice these activities. The findings show that while the DSP measure correlates positively both with income poverty and material deprivation measures, it identifies a different sample of individuals. Being deprived in terms of social participation is associated with a significant loss of life satisfaction, a magnitude comparable to the loss of being unemployed.

**Ingrid Bleynat**, researcher at Kings College London, also discussed how to improve measurement but presented a study focusing on a different dimension of well-being, inequality. While quantitative approaches may give little account of the detailed mechanisms of inequality





and its multidimensionality, qualitative studies often focus on a subset of the population which make results difficult to generalize. Bleynat and co-authors suggest a mixed approach, combining quantitative and qualitative assessments of inequality. They utilize neighborhood-level data on average household income in Mexico City to randomly select five households in each decile of the income distribution, and conduct semi-structured interviews in these households to better understand the nuances of inequality. Based on these interviews they construct two qualitative measures. The first is called *inequality of lived experiences* and measures qualitative experiences in work, education, and health services across the income distribution. The second is called *lived experiences of inequality*, and measures feelings of stigma, discrimination, and social hierarchy across gender, ethnicity and location. The quantitative data confirms that Mexico City is highly unequal across the income distribution in terms of not only income but also social factors such as housing, health and food security. The results concerning the qualitative measures, such as *inequalities in lived experiences* or *lived experiences of inequality* confirm the existing understanding - e.g., that households belonging to the lower deciles are more likely to be mistreated in the public health sector, have a hostile school environment, and worse working conditions, or that women across the income distribution bear most of the childcare responsibilities, - but provide nuanced details on the interaction between material inequality and the reported experiences.

## Conclusion

There is no doubt that the impact of Covid-19 on our well-being has been many-sided, and the

presentations of the workshop have clearly demonstrated the broad spectrum of related problems and concerns, as well as their variation across institutional, social, political, economic, and cultural contexts.

Although we are well underway, further research and comprehensive data collection on how people have coped with and responded to the pandemic is needed to design sensible recovery policies and incentivize governments to implement them.

On behalf of the Stockholm Institute of Transition Economics, we would like to thank the experts who shared their insightful research and participated in "Dimensions of Well-being".

## List of participants

Sonia Bhalotra (University of Warwick)

Yuki Takahashi (University of Bologna)

Damian Clarke (University of Chile)

Anthony Lepinteur (University of Luxembourg)

Lev Lvovskiy (BEROC)

Knar Khachatryan (American University of Armenia)

Thesia Garner (US Bureau of Labor Statistics)

Claudius Garten (TU Dortmund)

Barbara Pertold-Gebicka (Charles University)

Ingrid Bleynat (King's College London)

Nicolai Suppa (Centre for Demographic Studies at the UAB)

Elizaveta Pronkina (University Carlos III)

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