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Why Social Policy Needs Subjective Indicators

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Abstract

There are many qualms about subjective indicators, and some people believe that social policy should better not use them. This paper consists of a review of these objections. It is argued that policy makers need subjective indicators for the following reasons:

1. Social policy is never limited to merely material matters; it is also aimed at matters of mentality. These substantially subjective goals require subjective indicators.
2. Progress in material goals can not always be measured objectively. Subjective measurement often is better.
3. Inclusive measurement is problematic with objective substance. Current sum scores make little sense. Using subjective satisfaction better indicates comprehensive quality of life.
4. Objective indicators do little to inform policy makers about public preferences. Since the political process also does not reflect public preferences too well, policy makers need additional information from opinion polls.
5. Policy makers have to distinguish between 'wants' and 'needs'. Needs are not observable as such, but their gratification materialises in the length and happiness of peoples' lives. This final output criterion requires assessment of subjective appreciation of life as a whole.

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Introduction

There is a long-standing controversy in social indicators research between the ‘objective’ and the ‘subjective’ approach. In the objective approach the focus is on measuring ‘hard’ facts, such as income in dollars or living accommodation in square meters. The subjective approach in contrast considers ‘soft’ matters such as satisfaction with income and perceived adequacy of dwelling. The objective approach roots in the tradition of social statistics, which dates back to the 19th century. The subjective approach stems from survey research, which took off in the 1960’s. The objective approach is similar to the mainstream economic indicators research, though the topics differ, the method is the same. The subjective approach is akin to the psychological stream found in economic indicators research, which monitors things like consumer trust (Katona 1975) and subjective poverty (VanPraag et al. 1980).

The objective approach currently is central in the Scandinavian countries, in particular in the Swedish ‘level-of-living’ studies. From the beginning the basic tenet has been that social policy needs hard facts in the first place (Johansson 2001). Hence Scandinavian social surveys do not involve items on matters like ‘trust’ and ‘happiness’. Similarly, the Dutch ‘welfare index’ focuses on material living conditions (Boelhouwer 1999). Though the Dutch welfare survey contains items about happiness and stress since the 1970’s, these data are seldom reported. The subjective approach originates from the United States. Landmark studies have been published by Campbell et al. (1975) and by Andrews & Withey (1976). This approach is further refined in the German ‘welfare studies’ (Glatzer & Zapf 1984). Specializations have been developed on subjects such as perceived poverty (VanPraag et al. 1980), values (Inglehart 1990) and happiness (Veenhoven 1997).

Defenders of the objective approach hold that social indicators serve to guide social policy and that social policy makers need information about 1) the actual state of social problems, and 2) the effects of attempts to solve these problems. This information should be of an indisputable nature, in other words ‘objectively true’, and this scientific truth should enable rational social engineering. In this view, subjective indicators will distort the technocratic policy process and will give a voice to the irrationalities that have always hampered scientific management.

In this paper I evaluate the objectivistic position. To do this, I first examine the difference between ‘objective’ and ‘subjective’ indicators in more detail (§ 1). Then I take a closer look at the misgivings to be found about subjective indicators (§ 2). Next I will explain why social policy still needs subjective indicators (§ 3) and why objective indicators taken alone are inadequate (§ 4).

1 The objective-subjective distinction

At first sight, the distinction between ‘objective’ and ‘subjective’ indicators is fairly clear. Yet, when a closer look is taken, there are two dimensions of difference.

Firstly, there is a difference in substance matter measured. Objective indicators are concerned with things, which exist independently of subjective awareness. For instance, someone can be ill in an objective sense, because a tumor is spreading in the body, without that person knowing. Likewise, Marxists maintain that workers are objectively underclass people, even if they see themselves rather as belonging to the middle class. Both the doctor and the Marxist give more weight to the objective condition and will press for treatment, even if the patient protests.

Secondly, there is a difference in assessment. Objective measurement is based on explicit criteria and performed by external observers. Illness can be measured objectively by the presence of antigens in the blood, and class membership by possession of means of production. Given these operational definitions, any impartial observer will come to the same conclusion. Yet, subjective measurement involves self-reports based on implicit criteria. The ignorant cancer patient who reports to feel in good health may have based that appraisal on many cues and will not be really able to say how he came to that appraisal. The worker with false class awareness fails to notice the whole point.

The examples show that the differences in substance and measurement do not necessarily concur. The possible combinations are presented in the scheme below.

Scheme 1: Configurations of objective-subjective differences

Substance	Assessment	
	<i>Objective</i>	<i>Subjective</i>
<i>Objective</i>		
<i>Subjective</i>		

The two top quadrants concern extrinsic substance matters, such as physical condition, mental aptitudes and social position. The quadrant top left denotes the combination of objective substance and objective measurement. An example is the actual ‘wealth’ of a person when measured by his/her bank account. The top right quadrant also concerns objective substance, but now measured by self-estimate. An example is measuring wealth by perceived wealthiness.

The two bottom quadrants concern subjective matters, such as identity, happiness and trust. The bottom left quadrant combines subjective substance with objective measurement. An example is measuring happiness by suicide. The bottom right quadrant measures subjective substance using subjective appraisal, for instance, measuring happiness by self-report.

2 Qualms about subjective indicators

Scheme 1 helps to chart the doubts about subjective indicators. Misgivings about mental matters must be distinguished from misgivings about measurement by self-reports. Since these reservations are independent, criticism mounts most in the bottom right quadrant. The colors indicate the degree of skepticism.

2.1 Misgivings about mental matters

Part of the criticism is pragmatic. It is argued that subjective appraisals tend to be unstable and incomparable and therefore are of little use in social policy. Next there is the more fundamental objection that subjective appraisals can be objectively wrong. This is the ‘doctor-knows-best’ argument.

Irrelevant

The pragmatic objections are many: matters of the mind are unstable, incomparable and unintelligible.

Unstable

It is argued that attitudinal phenomena vary over time and that this variation has little link with reality conditions. For instance, attitudes about safety in the streets could depend more on media hype than on actual incidence of e.g. robbery. In this view, subjective indicators cannot provide a steady policy compass and fail to protect policy makers against the whims of the day.

Incomparable

It is also argued that subjective appraisals cannot be compared between persons. One assertion is that different people use different criteria, so two persons stating they are 'very happy' could say so for different reasons. Another claim is that people have different scales in mind, and that people who report they are 'very happy' may in fact be equally as happy as someone who characterizes his life as 'fairly happy'. In economy this reasoning is known as the theorem of 'incomparable utilities'. If true, this would mean that subjective appraisals cannot show whether one person (or social group) is better off than another, and hence that this kind of indicator is of little help in selecting those most in need of policy support.

Even if subjective appraisals are fairly comparable in a given language community, there is still the possibility that standards will shift over time. For instance, substantial improvement of living conditions might raise standards of comparison, and might thus result in rising dissatisfaction. A classic example is the dissatisfaction that soared among African Americans between 1946 and 1966 in spite of their unprecedented emancipation in this era (Manning Gibbs 1972). This would mean that success or failure can not be assessed in this way.

Likewise it is argued that subjective appraisals could not be compared across cultures. The example of 'poverty' is often given in this context. Notions of poverty, and hence definitions of oneself as poor, will differ greatly between rich and poor nations, and within nations between upper and lower classes. For social policy this would mean that these indicators tell policy makers little about relative performance.

Unintelligible

A related objection is that the criteria used for these subjective appraisals are largely implicit. Though people know fairly well how satisfied, anxious or trustful they are, they typically know less well why they think this is so. The appraisal process is quite complex and partly unconscious; this creates at least an interpretation problem for social policy. The declining trust in government (Vile 1999) is an illustrative case. Though the trend is fairly clear, at least in the United States, the causes are not and hence neither the remedy.

Unrelated to objective reality

One of the surprises of social indicators research is that correlations between objective conditions and subjective appraisals tend to be weak. For example, the actual income is only modestly related to income satisfaction and hardly related at all to overall happiness (Veenhoven & Saris 1996). Likewise, the incidence of mugging has little relationship to perceived safety (Noll 1994).

This all merges into the position that subjective valuation is in fact irrelevant. Satisfaction judgements, in particular, can depend too little on real quality of life and too much on fashionable beliefs and arbitrary comparison. In this view, policy makers better ignore appraisals of citizens, just like some doctors disregard their patients complaints. Instead, policy makers should look to objective statistical information, like doctors who believe only in laboratory tests.

Incorrect

Still there are some persistent patterns in subjective appraisals that cannot be so easily denounced as irrelevant. For instance, the above-mentioned middle-class identification of blue-collar workers and the rising distrust in government in the USA are clearly no inconsequential passing whims. In such cases subjective valuations are often debunked as 'false consciousness'. Classic Marxists were quite explicit about this, but mostly condemnation is more covert. Disturbing findings about subjective experience are simply ignored. This seems to be happening to my studies that found no higher well-being in welfare states (Veenhoven & Ouweneel 1995, Veenhoven 2000b).

2.2 Misgivings about measuring by self-reports

Several objections concern matters of validity. It is doubted that self-reports tap the things we want to access, even if the aim are inner matters. Next there are qualms about reliability. Self-reports are said to be imprecise and vulnerable to distortions. Though much of this criticism is overdone, there is some truth in it.

Validity doubts

When objective matters are measured by self-report, there is always the problem that survey questions may evoke responses to different matters than the investigator had in mind. Even with a seemingly clear-cut matter such as 'income', there are problems: is it personal income or family income, gross or net, should capital revenues and non-monetary income be included, etc. This problem is particularly noticeable for ill-defined concepts such as 'health' and 'social prestige'.

When subjective substance is measured, a further problem is that people may not have thought much out in their mind. For instance, not everybody has a crystallized 'self-concept' or a clear 'class-conscience'. Even when the person has some idea, this is not always fully consciously understood. For example, racists often fail to perceive their own opinions.

Obviously these problems vary with subject matter. Elsewhere, I have investigated the possible validity problems in the measurement of happiness in more detail but found no serious flaws (Veenhoven 1997, 1998).

Reliability doubts

Even when self-reports fit the subject matter, there is still the problem of precision. Self-reports are typically made on fixed response options, the number of which is mostly no greater than 10. Not only are these scales rather crude, but the responses to them are also fickle. The same amount of satisfaction may be rated by one person using the number 6 and by another person using the number 7. Such random error is no great problem for average scores, but it greatly deflates correlations.

Next there is the problem that responses may be distorted in a systematic way, such as by a tendency for respondents to conform to social desirability. There is some evidence that desirability bias inflates ratings of income, social prestige and happiness. Alongside such cultural biases there may also be systematic distortions in interviewing, item sequence and response-formats. Schwartz & Strack (1999) have demonstrated several such effects in the measurement of happiness. Systematic measurement error is especially problematic if it works out differently across social categories.

3 Need for subjective indicators

In spite of these weaknesses, subjective indicators are indispensable in social policy, both for selecting policy goals and for assessing policy success. Objective indicators alone do not provide sufficient information.

3.1 Selecting policy goals

Political entrepreneurs must have an idea of what people want, in order to mobilize the necessary support. They must also get in view what people really need, to select the most meaningful objectives. Much of this information requires subjective indicators to be obtained.

What people want

When deciding on goals, policy makers time and again meet with the problem that the political process does not always reflect public preferences adequately. Representatives sometimes fail to pick up latent concerns, and vested interests often keep appealing issues from the political agenda. Good political marketing therefore requires additional public opinion research, in particular polls on worries, aspirations and satisfactions. These indicators are subjective in both substance and measurement. This kind of research is common practice in all developed democracies.

What people need

Policy makers also operate in a more technocrat way and try to grasp what people really need. Here the problem is that expressed wants do not always reflect true needs. A good example is the case of materialist aspirations in an affluent society. The western public wants ever more money and consumption, and this demand is served well by politicians. Yet, in spite of the stunning rise in the material level of living, average happiness has remained about at the same level. According to Frank (1999) this is because our material needs are already satiated. In his view, the constant craving for more luxury draws on an underlying need for supremacy, which could be equally well met in less wasteful ways. Lane

(2000) likewise has observed a decline in happiness in modern market economies, which he attributes to the institutional neglect of social needs.

In this example the gratification of needs in a population is measured by happiness, that is at the very most a subjective indicator. Elsewhere, I have argued that overall happiness is indeed the best available indicator of the degree to which true needs are met, especially if combined with the number of years lived (Veenhoven 1996, 2000).

3.2 Assessing policy success

Assessing policy success requires information about goal attainment, such as the reduction of poverty or improvement of housing conditions, and information about public support. This demands both subjective measurement and assessment of attitudinal matters.

Goal attainment

Success in some goals can be measured objectively. Improvement of housing conditions can be measured using the gain in square meters per person or improvement in education using student/teacher ratio. Yet, such measures have their limitations, and in some cases additional subjective indicators are required.

This is for instance the case with public 'health'. Considerable problems exist regarding the assessment of average health based on medical consumption and registered incidence of disease. Longevity does not fully capture the phenomenon either, and the effect appears only in the long term (Veenhoven 1998). Therefore, all developed nations run health-surveys to gather data on subjective health complaints and reports of general feelings of health. Likewise, reduction of xenophobia manifests only partly in objective indicators such as racist attacks and interethnic marriage. Attitudinal data are needed to complete the picture.

Progress towards specific goals can hardly be measured objectively. This is for instance the case with restoring trust in government. Since the link between attitudes and behavior is typically weak, confidence manifests at best marginally in voting behavior or taxpaying. Assessing progress with regard to this attitudinal goal requires attitudinal data in the first place.

Public support

Success in social policy depends typically on public support. Without public backing most programs perish in the long run, even if planned goals are reached. Public opinion is not always fully expressed in the political process, hence polls are needed for additional information. Survey data are particularly needed for issues that are not on the political agenda and for groups that are ill-represented.

4 Why objective indicators fall short

The need for subjective indicators must also be judged against the limitations of objective indicators. Objective indicators provide only a part of the required information and give generally a better view on details than on the whole. Hence categorical rejection of subjective indicators leaves the policy maker with an information deficit, which is inevitably replenished with private observations and hearsay.

4.1 Limits to observation

We have already noted above that social policy is not only concerned with objective matters such as ‘income’ and ‘sanitation’, but also with subjective things like ‘trust’ and ‘perceived safety’ in the streets. Such issues are typically intertwined, in the policy mix there is always a combination of material and mental matters. Hence objective indicators tell only half the story.

We have also seen that objective measurement falls short on a lot of issues, not only in attitudinal matters but also in the assessment of objective substance. Remember that even the objective measurement of income is problematic (§ 3.1). Objective measures also have limited validity and reliability. Joint use of objective and subjective measures mostly is helpful to get a complete picture, while rigid restriction to objective indicators considerably narrows the perspective.

4.2 Limits to aggregation

Though objective counts are often quite useful for assessing details, they are typically less helpful in charting the whole. For example, in assessing the quality of housing, objective indicators can help a great deal in quantifying aspects such as space, light and sanitation, but these aspect scores do not simply add into a meaningful overall estimate of dwelling quality.

Social policy makers need indications for overall performance, and hence there have been many attempts to combine piecemeal observations into a comprehensive index. Next to indexes of housing quality, there are counts for ‘livability’ of neighborhoods (Schoenmakers 1999) and for ‘quality of life’ in nations (e.g. Kacapyr 1996). These sum scores fall short for the following reasons: firstly, they are typically selective and tend to focus on those aspects currently on the political agenda. Secondly, such indexes are incomplete, because they are limited to a few easily measurable aspects. Thirdly, all the items are mostly given equal weight, while it should be rather evident that the importance of aspects will vary. Fourthly, it is not acknowledged that weights also vary with satiation and that they are contingent to situations and personal capabilities. Together this greatly limits the comparability of such sum scores across time and culture. I have analyzed these shortcomings in more detail elsewhere (Veenhoven 1996, 2000a).

Aggregation is less problematic with subjective indicators, because we can simply ask people about their overall judgement. Research has shown that people are quite able to strike a balance, both in life domains such as housing and for their life as a whole.

Conclusion

Social policy makers need both objective and subjective indicators. The challenge of social reporting is to combine the strengths of these indicators and to make sense of the discrepancies they show. For some purposes objective indicators are best suited, for other uses subjective indicators are preferable. Assessments of overall life satisfaction is particularly needed to assess comprehensively policy success and to distinguish needs from wants.

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