

Lecture IT13: Measuring Multidimensional Well-being

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Abstract

In this lecture, I discuss several challenges in the measurement of multidimensional well-being. I start from a central impossibility result that multidimensional well-being measures cannot be consistent with vector dominance and respect individual preferences about “the good life” at the same time. I discuss three families of well-being measures (composite well-being indices, subjective well-being, and equivalent incomes) in light of this impossibility result. Then I turn to two approaches that allow to estimate individual preferences about the “good life” based on survey data: life-satisfaction regressions and so-called discrete choice experiments. I conclude by presenting an application that looks at the measurement of social progress in Europe between 2008 and 2010.

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