



# SUBJECTIVE WELL-BEING & HUMAN AGENCY: TRANSITION vs. NON-TRANSITION COUNTRIES

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# 1. Introduction. Research question

- ▶ Analysis aims in understanding of cross-cultural relationship between life satisfaction, subjective well-being (SWB) & human agency/feeling of freedom (HA) in transition countries vs. non-transition countries (differentiated as industrial and non-industrial, developed and underdeveloped, post-socialist [post-Soviet and of Eastern-Southern Europe] vs. non-socialist).
- ▶ Typically for transition countries attempts to apply policy solutions from other countries without thorough beforehand comparative analysis is not really often successful (Seaford C., Mahoney S., Wackernagel M., Larson J. and Ramírez R. 2011. Pritchett, L., M. Viarengo. 2010; Przeworski, A., M. Alvarez, J.A. Cheibub, and F. Limongi. 2000). Country-level differences of institutional settings as drivers of human development should be analyzed along with individual-level dimensions of social life.



So, there is also practical set of reasons of my research interest – consequences of it for public policy, the ways of national well-being accounts improvement.

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- Human development model demonstrated that the level of SWB/happiness is related to economic development & democratization (Inglehart et al, 2008; R. Inglehart, C. Welzel, 2010).
- Speaking about the broader conditions of life from human
- development perspective, we can agree that “In some basic respects the world is a much better place today than it was in 1990 or in 1970. Overall, people are healthier, more educated and wealthier and have more power to appoint and hold their leaders accountable than ever before. ... Income and growth remain vital. To conclude otherwise is to ignore the importance of income in expanding people’s freedoms. Income is critical in determining people’s command over the resources necessary to gain access to resources” (HDI Report, 2011).



A large part of the literature examines different determinants of SWB: from economic (like income - there is a domain of literature on 'Easterlin paradox', for example), cultural (*Schyns P.*, 1998) to socio-demographic dimensions (education, age, gender, health, employment status, marital status, etc.: Argyle, 2001; Diener, Biswas-Diener, 2002; Kahneman, 2006; Veenhoven, 2006) and other important non-economic aspects - like individual aspirations (for instance, "aspirations hypothesis" of Easterlin [Sarracino, 2008]), telic explanations (Veenhoven, 2000), role of positional goods (Frank, 1997) and 'relational hypothesis' (Sarracino, 2008), freedom (Inglehart et al., 2008) and the human development (Welzel et al., 2003).

Nevertheless, existing literature still is focused mainly on developed Western industrial countries, while determinants of SWB and HA dynamics in transition countries of Eastern Europe are still under-examined (Abbot P., 2008; Easterlin, 2010).

There are based on several countries studies that states that improvement of national well-being accounts can influence the effects of development policies in transition countries (Sarracino, 2008). But to what extent and under what conditions? This paper aims to fill this backlash at least to some extent in frame of stated research problem.



## 2. Theoretical framework and source of hypotheses of the research

As a conceptual framework for analysis and hypotheses are used several related perspectives:

Human development perspective of sustainable well-being (Amartya Sen, 1998; Jackson T., 2009; Veenhoven R., 1996; Pritchett, L., M. Viarengo. 2010; Seaford C., Mahoney S., Wackernagel M., Larson J. and Ramírez R. 2011).

### Measuring human development

Towards a new human development dashboard

Empirical measure	Components of Human Development				
	Health	Education	Material goods	Political	Social
Average level	Human Development Index			Empowerment indicators	
Deprivation	Multidimensional Poverty Index				
Vulnerability	Indicators of environmental sustainability, human security, well-being, decent work				
Inequality	Inequality-adjusted HDI				
	Gender Inequality Index				

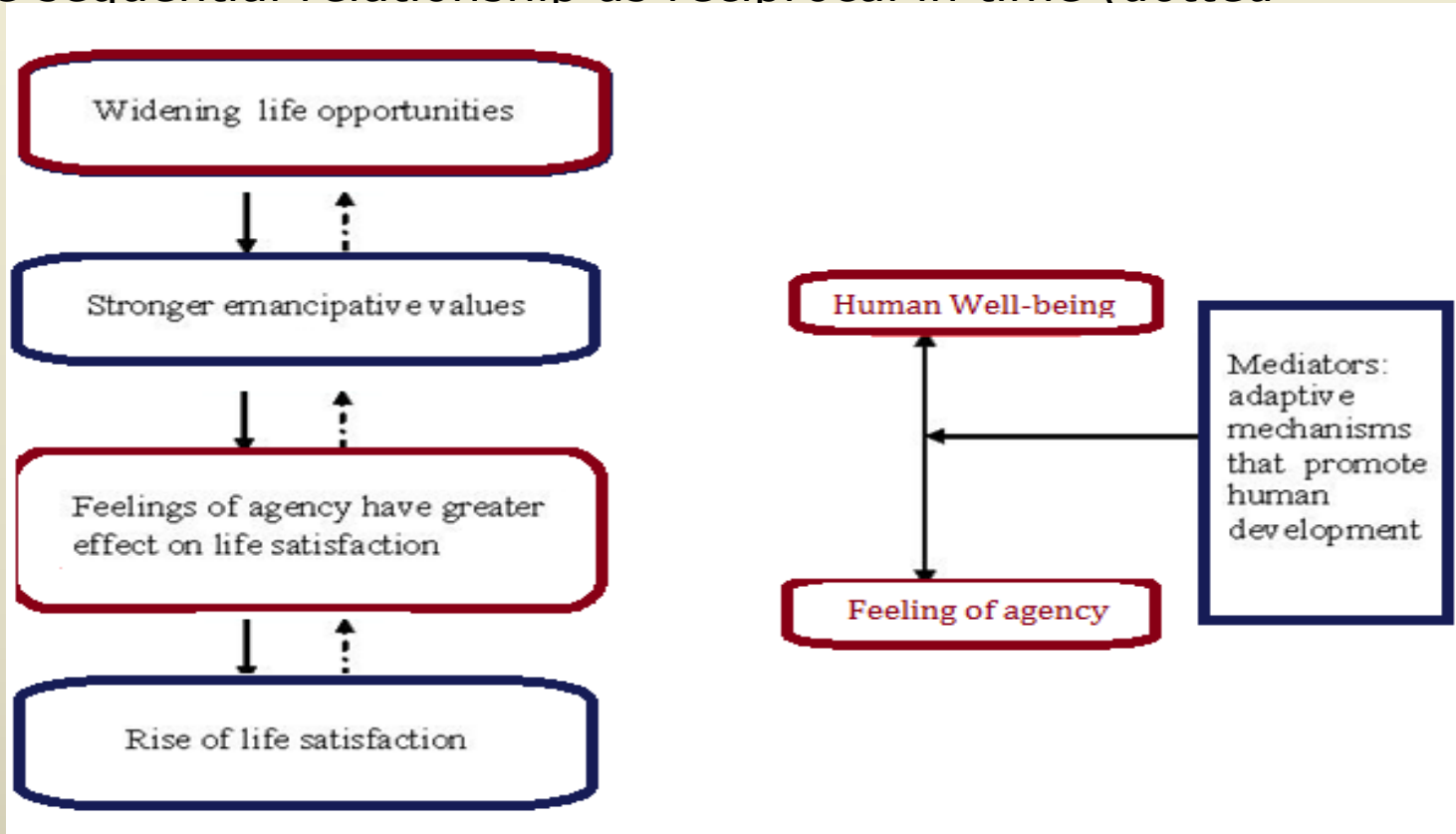
Source: HDRO based on Pritchett (2010).

- ▶ **Evolutionary Human Development Model** or ‘**Evolutionary Model of Sequential Adaptive Mechanisms**’ (C. Welzel and R. Inglehart, 2010), which pretends to explain the conditions of human empowerment. This approach focuses on importance of freedom and feeling of agency for SWB and happiness (Welzel et al., 2003; Inglehart et al., 2008). Human agency is represented by sense of control over life situation (other synonymic terms: locus of control, feeling of agency, sense of free choice, sense of control over life, master environment competence) which goes along with Human **Empowerment Model of Societal Development** (Welzel, 2011), since “Human freedom is vital for human development. People must be free to exercise their choices in properly functioning markets, and they must have a decisive voice in shaping their political frameworks” (HDRReport 1990).
- ▶ **Self-Determination Theory (SDT)**: a broad framework for the study of human motivation and personality that defines intrinsic and varied extrinsic sources of motivation, and a description of the respective roles of intrinsic and types of extrinsic motivation in cognitive and social development and in individual differences, focus on how social and cultural factors facilitate or undermine people’s sense of volition and initiative, in addition to their well-being and the quality of their performance. Conditions supporting the individual’s experience of **autonomy, competence, and relatedness** are argued to foster the most volitional and high quality forms of motivation and engagement for activities, including enhanced performance, persistence, and creativity.

As an external validation of the EHDM/EMSAM – at least to some extent - could be treated the social psychological approach (M. Kohn et al., 1983; 2001; 2010) which empirically demonstrated that causal reciprocity of nexus between social structures and personality (self-direction/autonomy, distress/well-being, intellectual flexibility/creativity) in modern industrial societies is mediated by self-directedness of personality (the concept which is close to the concept of human agency, developed by Bandura, and concept of locus of control) – which is in line with major findings of Inglehart’s modernization theory and K. Marx ideas=)))



- ▶ 'Evolutionary Model of Sequential Adaptive Mechanisms' [EMSAM] (C. Welzel and R. Inglehart, 2010) states that link between HA and human well-being is mediated by a set of adaptive mechanisms that promote human development (*un-dotted* arrows at scheme). Taking into account empirical results of M. Kohn, I suggest to treat the above sequential relationship as reciprocal in time (*dotted arrows*).



Scheme: 'Evolutionary Model of Sequential Adaptive Mechanisms' (by C. Welzel and R. Inglehart), *proposed reciprocal relationship is added with dotted arrows.*

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- ▶ Human self-perception of agency (sense of control over life situation /sense of free choice/locus of control/feeling of agency/...) is related with how individuals perceive their life, these perceptions influence personality activity, which is reflected thus in changes of institutional and structural conditions of life.
  - ▶ The policies and reforms compatible with development of national accounts of well-being vary widely across institutional settings and, obviously, depend on structural, economical and political conditions. Gender Equality also revealed be an important component of human development (R. Inglehart, P. Norris, 2003; R. Inglehart, P. Norris, C. Welzel, 2004).
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## **3. Hypotheses**



1) Transition countries go through institutional uncertainty, therefore for people in TC (vs. nTC), it could be more important to have feeling of control over their life for getting higher level of SWB in relation with their status. So, we can expect that **in TC SWB is higher influenced by HA, than in nTC (H1).**

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2) As human values represented through personality values – mainly those that support freedom of choice and self-directedness - can be seen as main mediator of nexus between social structure and personality (and in line with previous findings - Inglehart, 2004) we can expect that:

**relational goods and traditional values are more important for SWB and HA of people in TC, while post-materialist values could have inverse effect compared with relational goods and traditional values; while in nTC we can expect to find the opposite (H2);**

3) Speaking about broad context of human development and empowerment, level of Human Development Index (HDI) is one of most general indicator of differences among countries which identifies 'top mover' countries that have improved most in HDI terms, first of all in health, education and income and is measured for last 40 years. So we can expect that:

**HDI will be the most important factor of relationship between SWB and feeling of agency (H3),**

4) Taking into account that level of gender equality and human development index is higher in high-income countries, **is suggested that there are should be negative influence of gender inequality on SWB and HA in TC (H4).**

5) Our last hypothesis, based on all abovementioned and results from R.Inglehart, R. Foa, C. Peterson and C. Welzel (2008) and my own study of nexus between SWB and HA in Ukraine under radical social changes states that: **relationship between SWB and HA will be notably higher in transition than in non-transition countries, even under statistical control of individual-level age, social class self-placement, type of habitat [urban/countryside], education , income, employment and marital status, being a religious/not religious person, and of country-level agency, democratic development, gender inequality and human development index [even if country have experience of soviet regime] (H5).**

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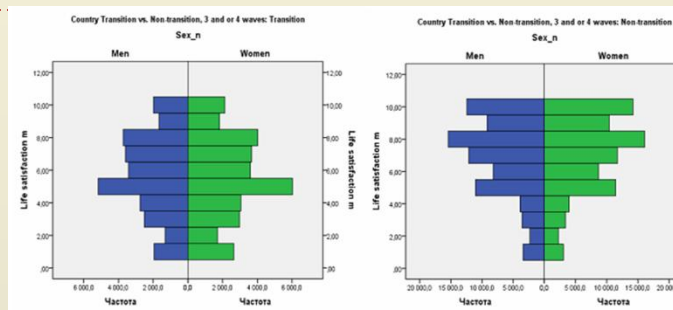
## 4. Data and Measurement of Concepts

- I use the 3 and 4 waves of World Values Survey data to estimate my hypotheses (1994-2004; 82 countries). Main reason for data choice was presence of Ukraine in sample and presence of main selected predictors' importance -- of which for SWB and HA have to be tested.

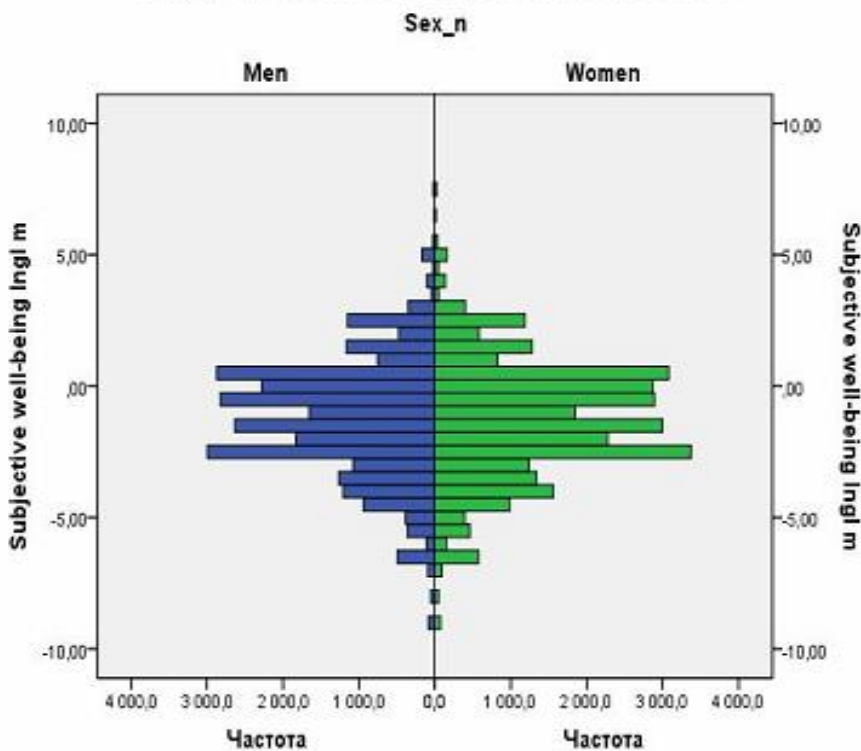
### *Individual-level indicators*

SWB: factor index covers life satisfaction (A170) + feeling of happiness (A008).

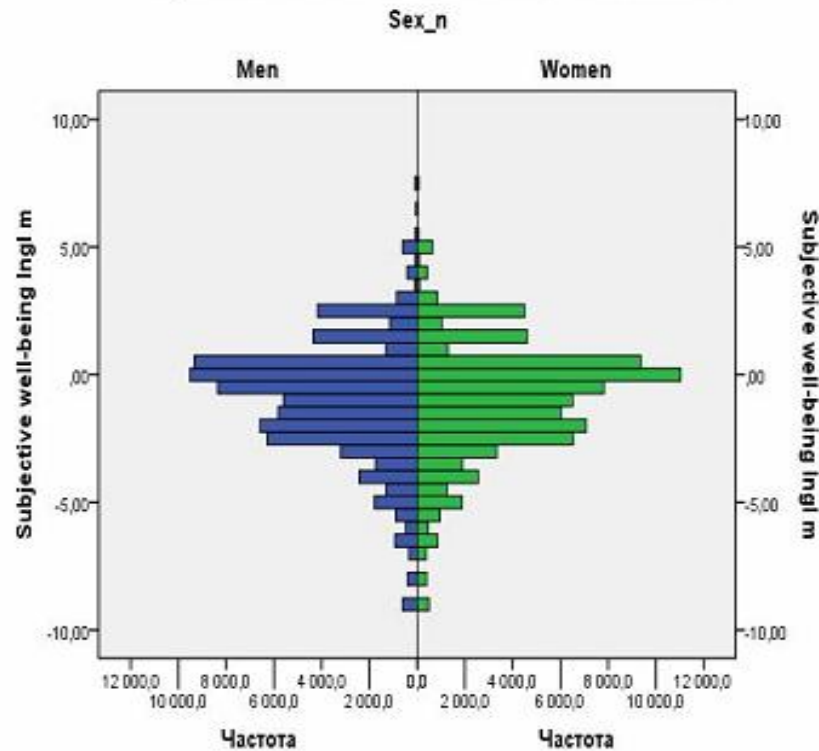
Highly correlated (0.86) with compound index of SWB by R. Inglehart.



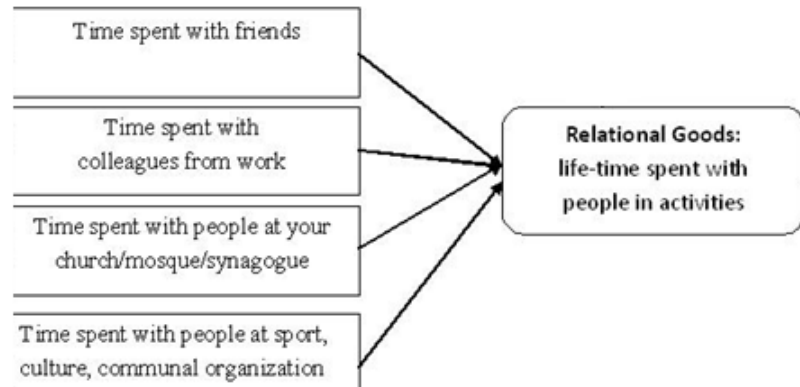
Country Transition vs. Non-transition, 3 and or 4 waves: Transition



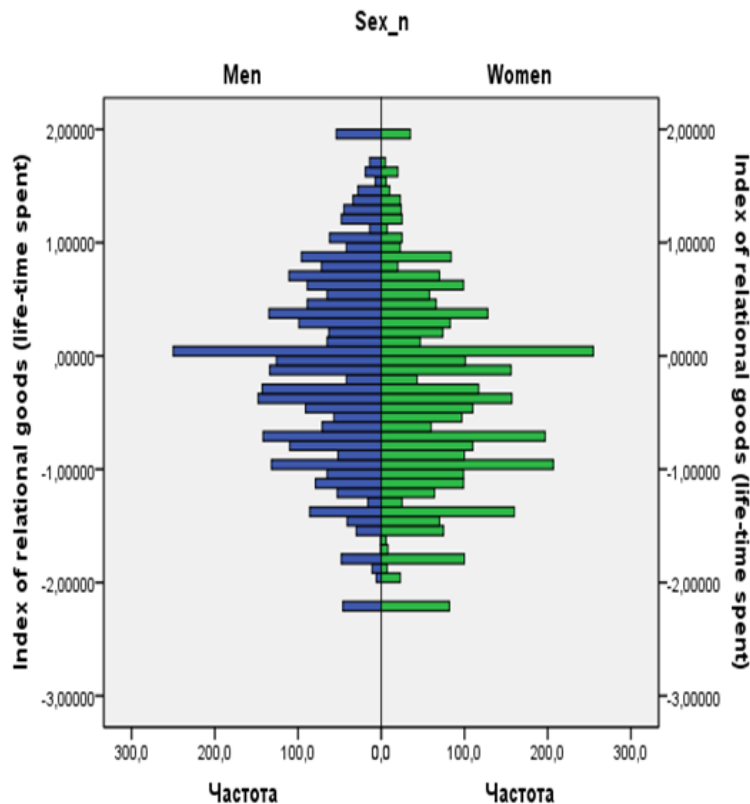
Country Transition vs. Non-transition, 3 and or 4 waves: Non-transition



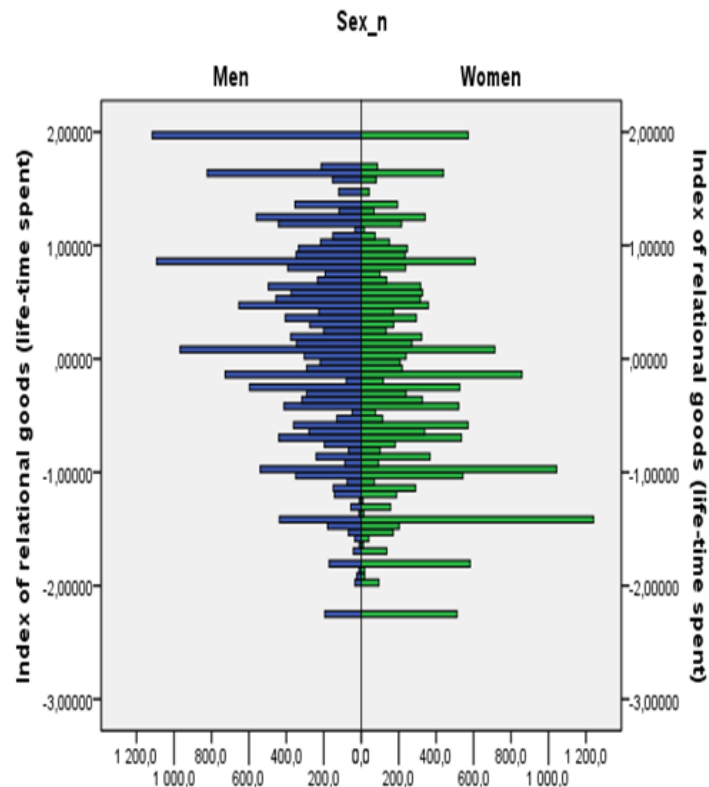
*Relational goods*: 'time spent with: friends, colleagues from work, people at your church/mosque/synagogue, people at sport, culture, communal organization' (A058-A061). Combined into factor 'Index of relational goods' (IRG).



Country Transition vs. Non-transition, 3 and or 4 waves: Transition

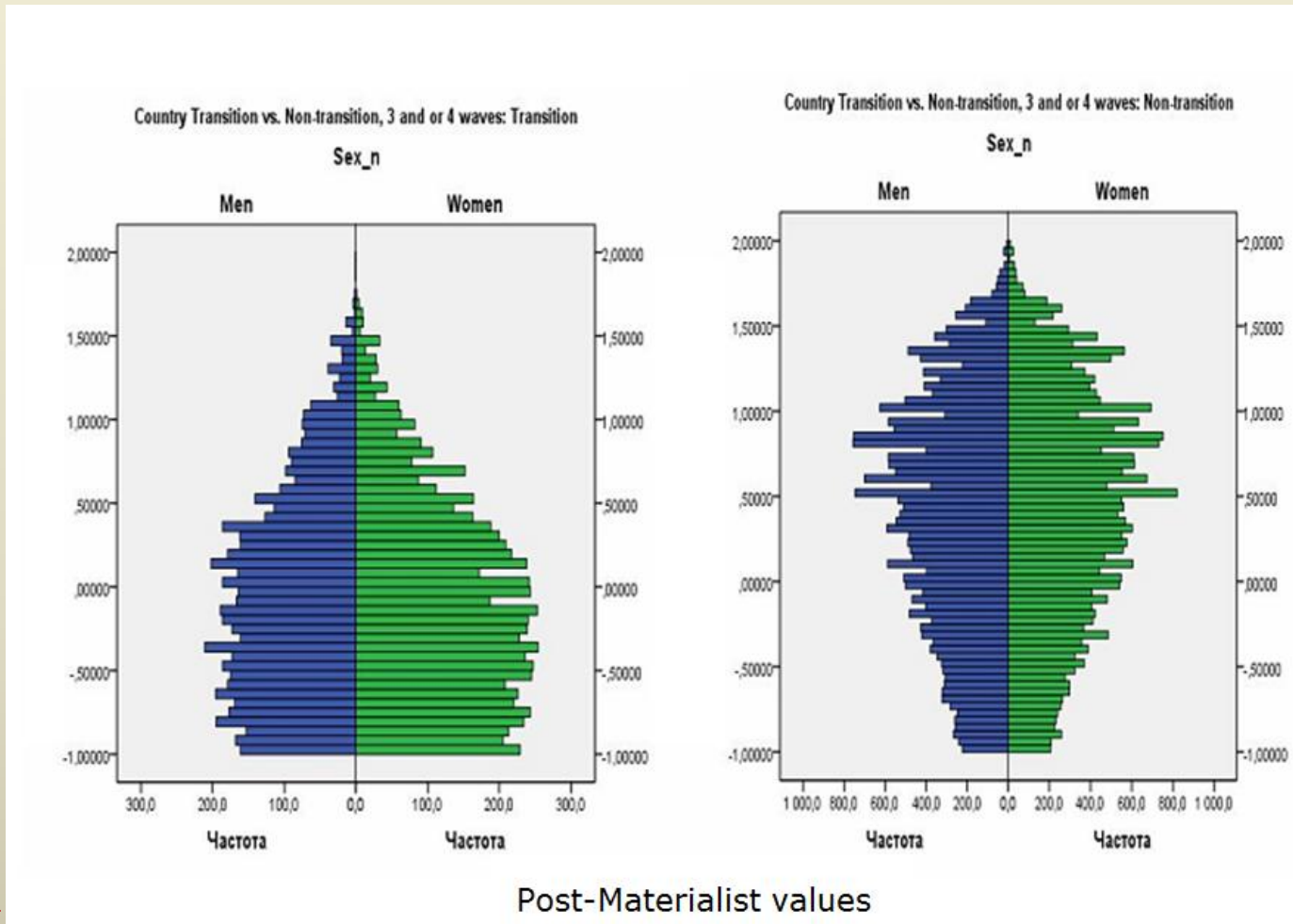



Country Transition vs. Non-transition, 3 and or 4 waves: Non-transition



Human Agency = possibility to control the life situation: var.'feeling of agency' (A173).

~~Traditional and Post-Materialist values:~~ treated as it was formulated by Inglehart & Welzel (2010), Welzel (2007): in this work are used ready indices from datafile.



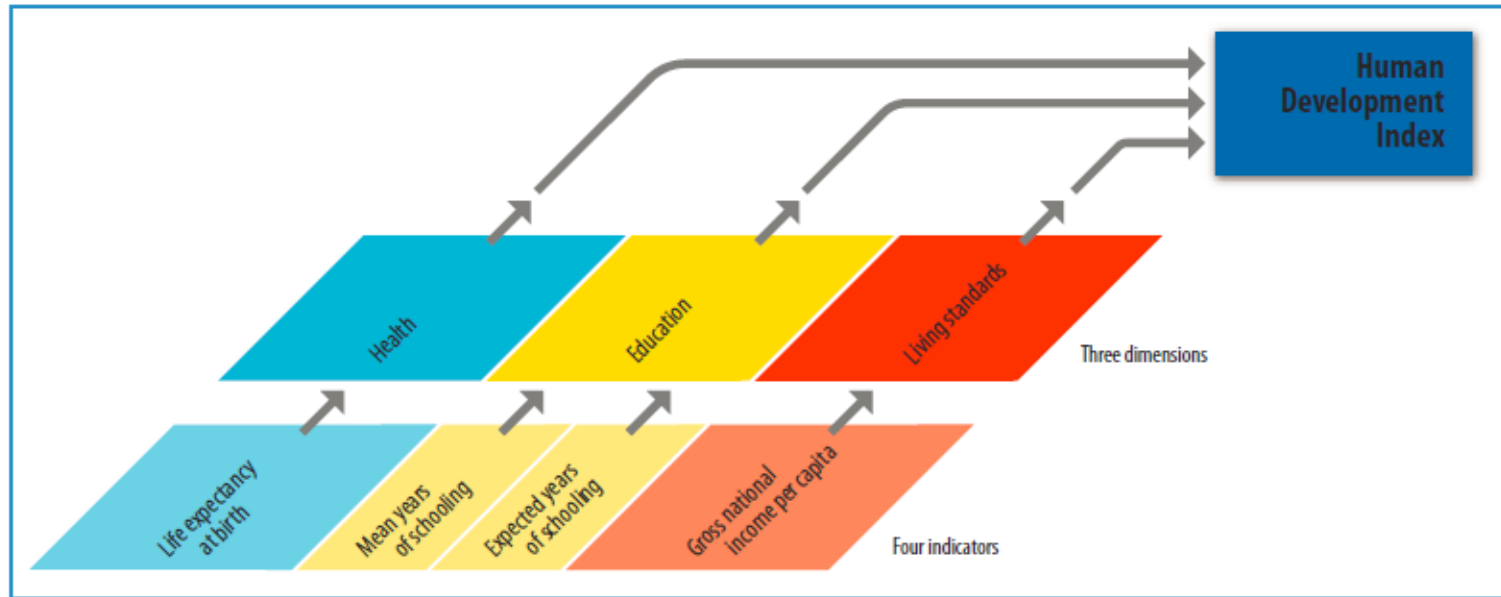
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- ▶ *TC/nTC*: derived from state of economy ('transition economy') of country. Classification done by IMF + World Bank [as transition are classified all post-socialist countries (Transition economy, 2010)]. Other countries are classified as nTC.
  - ▶ TC: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Cambodia, China, Croatia, Czech Republic, Estonia, Georgia, Hungary, Iran, Latvia, Lithuania, Kazakhstan, Kosovo, Kyrgyz Republic, Laos, Republic of Macedonia, Moldova, Mongolia, Poland, Romania, Russia, Serbia and Montenegro, Slovak Republic, Slovenia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, Vietnam.
  - ▶ *Postsocialist Soviet/non-Soviet Regime in past*
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# Country-level indicators:

*Human Development Index* (Human Development Report, 2010).

## Components of the Human Development Index

The HDI—three dimensions and four indicators



Source: HDRO.

Human Development Report, 2010. - P. 13.

## Democracy Index. Societal Agency.

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- ▶ *Economist Intelligence Unit's Democracy Index*: **Electoral process and pluralism + Functioning of government + Political participation + Political culture + Civil liberties.**
- ▶ **Satisfaction with freedom of choice** (% satisfied) as a partial measure of empowerment of society – taken from Human Development Report.

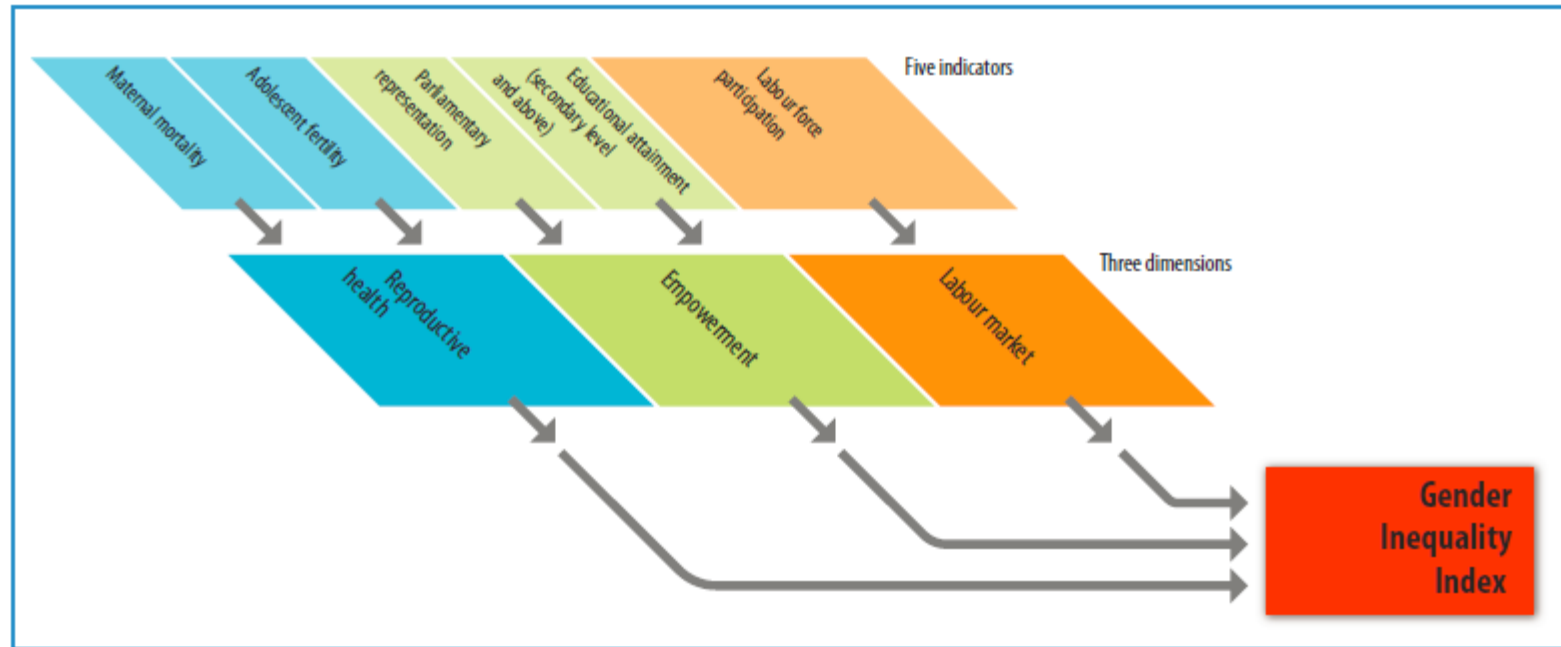




# Gender Inequality Index

## Components of the Gender Inequality Index

GII—three dimensions and five indicators



Note: The size of the boxes reflects the relative weights of the indicators and dimensions.

Source: HDRO.

## 4. Methods, Procedures

Frame of research question consists of two parts:

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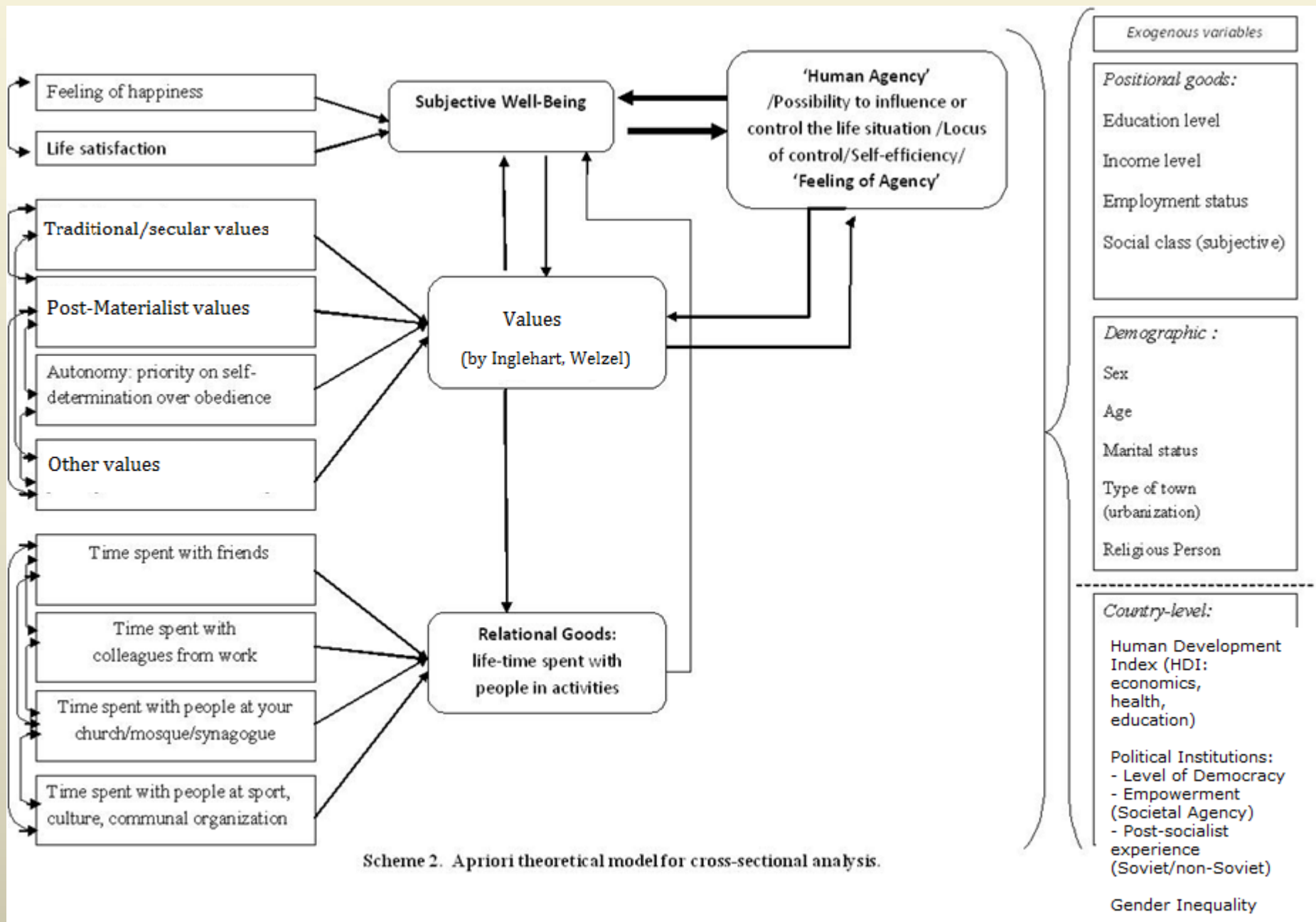
- ▶ under what conditions and to what extent **variations of SWB** in transition vs. non-transition countries can be explained?
- ▶ are there any stable **structural patterns of SWB factors** in transition countries compared to non-transition?

Therefore I use General Linear Models: included into equations variables have different scales; partial eta squared can demonstrate contribution of every independent variable into variation of SWB; on the basis of GLM regression we can evaluate regression of SWB by HA (controlling different sets of variables); effect of interaction effects of individual-level and country-level variables can be accounted.

For prototypical theoretical a priori model (see scheme 2) to test my hypotheses were designed the following model:

- ▶ **Dependent Variable: SWB (Index).**
  - ▶ **Predictors:**
    - ▶ a) individual-level: Sense of control, Values Indices, Relational goods Index, Age, Education, Income, Employment status, Social class (subjective), Urbanization (Type of town), Marital status, Sex;
    - ▶ b) country-level: Human Development Index, Level of Democracy, Societal Agency, Gender Inequality [, soviet regime in past].
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# 5. Results and discussion

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I present my GLM analyses in the following format, showing successive models in which I tested different sets of explanatory variables, taking into account how much additional variance is explained. Variables that don't add much to the explained variance were dropped, so that final models shows only those variables that add significantly to the explained adjusted R squared. I rejected to include different interaction effects (I've tested them but their didn't added a lot of to model improvement), and instead of mixed models' results present GLM results - since they do not differ notably from GLM, so far I preferred the simpler model. Since it was problematic to do the full model with all different scales in LISREL (there are ordinal and nominal indicators along with metric).

- ▶ Previously was examined if there is cross-national structural patterns [of gender differences] in relationship between SWB and HA in TC vs. nTC? We can see that examination across models demonstrates presence of a stable significant predictors of SWB: SWB is positively regressed by HA, income, social class (sbj.), a bit by being a religious person, negatively - with age and traditional values and to some extent with post-materialism (both in TC and nTC; except women – positive nexus), is not related to education (which is a bit controversial), is not related with an employment status of women in TC, and is not related to marital status of men and women in TC. But there is no evident differences between men and women, in opposite to our expectations (Table I). So further our analysis is focused on differences between TC vs. nTC, without differentiating between men and women.
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## Results

Transition countries go through institutional uncertainty, therefore for people in TC (vs. nTC), it could be more important to have feeling of control over their life for getting higher level of SWB in relation with their status. So, we can expect that in TC SWB is higher influenced by HA, than in nTC (HI).

GLM results [Tests of Between-Subject Effects (ANOVA) + regression] demonstrated that relationship between SWB and HA is not symmetric, and it fluctuate around the following coefficients in different models in TC as well as in nTC (under statistical control of age, social class self-placement, type of habitate [city/countryside]), education, income, employment and marital status, being a religious/not religious person, and even being of country under socialist regime plus a set of interaction effects of different country-level variables):

▶ Dependent Variable: Subjective well-being.

Regression of SWB on HA = B: 0,09 – 0,15 for all countries; **0,14 – 0,15 – for transition countries; 0,10 – 0,12 – for non-transition countries.** Adjusted R Squared – about 20-30 %

▶ Dependent Variable: Feeling of agency.

Regression of HA on SWB = B: 0,7 – 0,8 for all countries; **0,8 – for transition countries; 0,7 – 0,75 – for non-transition countries.** Adjusted R Squared – about 15-20 %.

Simultaneously the Partial Eta Squared for relationship between SWB and HA is stable – 10 % (About 10 % of SWB is explained by HA and vice versa).

Since I am interested in causality analysis, I examine regression of SWB on HA along with set of control variables and vice versa – regression of HA on SWB.



TABLE 2. Predicting Subjective Well-being across Transition vs. non-transition countries

Dependent Variable: Subjective well-being

Parameter	All countries			Transition countries			Non-transition countries		
	B	Sig.	Partial Eta Squared	B	Sig.	Partial Eta Squared	B	Sig.	Partial Eta Squared
	Intercept	-1.605	.000	.025	.857	.206	.001	-1.496	.000
<i>Individual-level variables</i>									
Feeling of agency	.110	.000	.081	.147	.000	.130	.103	.000	.073
Trad/secular values	-.411	.000	.122	-.330	.000	.094	-.417	.000	.117
Post-Materialist index 4-item	.069	.000	.003	.026	.420	.000	.064	.000	.002
Relational goods (spent time) index	.104	.000	.016	.055	.006	.004	.119	.000	.021
<i>Country-level variables</i>									
HDI	.828	.000	.010	-.072	.939	.000	1.005	.000	.016
Level of Democracy	.020	.000	.001	-.245	.000	.044	.052	.000	.007
Gender Inequality	-.387	.000	.002	-.534	.428	.000	-.375	.000	.002
Agency_country	.003	.000	.003	-.009	.083	.002	-.002	.003	.001
Adjusted R Squared	.253			.25			.23		



Parameter	TABLE 3. Dependent Variable: human agency/ feeling of agency								
	All countries			Transition countries			Non-transition countries		
	B	Sig.	Partial Eta Squared	B	Sig.	Partial Eta Squared	B	Sig.	Partial Eta Squared
Intercept	4.919	.000	.032	7.612	.000	.010	5.184	.000	.032
<i>Individual-level variables</i>									
Education level	.141	.000	.002	.161	.034	.002	.140	.000	.002
Income level	.124	.000	.002	.248	.000	.007	.112	.000	.001
Subjective class position	.064	.001	.001	.062	.287	.001	.060	.003	.001
Subjective well-being	.685	.000	.068	.795	.000	.100	.662	.000	.061
Trad/secular values	.057	.028	.000	-.023	.716	.000	.084	.004	.001
Post-Materialist index 4-item	.029	.321	.000	-.002	.980	.000	.028	.368	.000
Relational goods (spent time) index	.055	.002	.001	.026	.620	.000	.068	.000	.001
<i>Country-level variables</i>									
HDI	1.307	.000	.003	-4.508	.069	.002	1.377	.000	.003
Gender Inequality	-1.142	.000	.002	3.466	.046	.002	-1.280	.000	.003
Agency_country	.017	.000	.010	-.015	.258	.001	.014	.000	.005
Level of Democracy	-.132	.000	.006	-.090	.192	.001	-.130	.000	.005
Adjusted R Squared	.156			.16			.157		



- ▶ H3 confirmed partially. HDI revealed be important predictor of SWB if we don't take into account the transition: for non-transition countries HDI really important and have strong positive effect on SWB, but in transition countries SWB is negatively influenced by HDI.

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- ▶ H4 is confirmed partially. Gender Inequality negatively influences the SWB in transition as well as in stable countries. The impact of democracy level varies quite logically understandable: for stable countries there is little but significant positive effect. But for transition countries (which are post-socialist mostly) there is negative nexus.
- ▶ Speaking about HA we can see that lower gender inequality means higher feeling of agency for non-transition countries (as well as for all countries together), but for transition countries higher gender inequality means higher feeling of agency.
  - ▶ Is it so counterintuitive result? I have possible interpretation for it, on the basis of research of gender differences of human agency in Ukraine – which could be tested: it could be an effect of cultural differences (although it should be noticed that testing the influence of belonging to different parts of 'cultural map' - by Inglehart & Welzel – didn't worked as a good explanation here) of gender differences - of values construction and 'gender contracts' in transition and non-transition countries. Further it could be useful to go to the analysis of country by country (since [patterns of relationship between SWB and HA do not differ for men and women](#), no notable gender differences at aggregate level) – speaking about gender differences in SWB and human agency, it is important to take into account the differences of gender contracts (Hirdman, 1991) at the micro-social level (Lorber, 1994) in several dimensions of „gender regimes“ (Connell, 2002): power relationships, production relationships (labor market positions), emotional relationships and symbolic relationships, not only at country-level.





Feeling of agency/freedom of choice is not high but rather stable predictor of SWB – it's in line with findings of Inglehart, Foa, Peterson and Welzel (2007) that feeling of free choice and control over one's life has an impact on SWB in many all over the world. And it can be see in table 2 that feeling of agency is more important for SWB in transition countries, while traditional values have negative effect on SWB (in TC and in nTC even higher).

Relational goods are twice more important for SWB of people in non-transition economies, it's important for them almost so as feeling of agency. So we can suppose that people can be more focused on relationship and social capital development under conditions of higher social and economic stability.

But for feeling of agency having a lot of time spent with other people seems not highly important, it could be explained by the increasing importance of self-emansipative and self-expression values ('rational egoism').



Post-materialist values are not important for HA prediction in transition countries as well, while HDI, gender inequality, SWB and individual income are the most powerful predictors of the one. Post-materialist values are also not significant for SWB in transition economies. Along with all results of Inglehart analysis, it could be seen as the reflection of cultural transition: traditional values do not positively associated with SWB any more, while Post-Materialist values are not important yet.



Democracy level appeared be negatively associated with SWB in TC – opposite to nTC: ~~the rising level of democracy is associated with increasing of SWB. It could have two~~ explanation: it can be a effect of model design (but this finding is to some extent similar to effect fixed but not explained by Inglehart, Foa, Peterson and Welzel (2007, table 1, p. 271) – or it can be related to character of changes in TC (the higher level of democratic development actually is not related with increasing of subjective feeling of well-being, since aspirations increase also, and income is important for HA which is important for SWB, while expectations of economic development do not fit the reality of ‘new democracies’ (which to some extent is in line with Easterlin paradox). Democracy level also is negatively associated with feeling of freedom, which is also counterintuitive finding.

Our last hypothesis, based on all abovementioned and results from R.Inglehart, R. Foa, C. Peterson and C. Welzel (2008) and my own study of nexus between SWB and HA in Ukraine under radical social changes states that: relationship between SWB and HA will be notably higher in transition than in non-transition countries, even under statistical control of individual-level age, social class self-placement, type of habitat [urban/countryside], education , income, employment and marital status, being a religious/not religious person, and of country-level agency, democratic development, gender inequality and human development index [even if country have experience of soviet regime] (H5).



Relationship between SWB and HA is not high in TC as well as in nTC, but it remains relatively stable (10-15 % of SWB is explained by HA), even under statistical control of age, social class self-placement, type of habitate [city/countryside], education, income, employment and marital status, being a religious/not religious person, and even being of country under socialist regime or other country-level indicators ( like HDI, Level of Democracy, Gender Inequality, Agency\_country).

As it can be seen from tables 2 and 3, shared variation of SWB and HA in TC as well as in nTC remains relatively stable (10-15 % of SWB is explained by HA), even under statistical control of age, social class self-placement, type of habitate [city/countryside], education, income, employment and marital status, being a religious/not religious person, and even being of country under socialist regime or other country-level indicators ( like HDI, Level of Democracy, Gender Inequality, Societal Agency). While regression coefficients of nexus between HA and SWB are higher in transition economies, so our last hypothesis is confirmed: SWB is an important predictor of feeling of human agency, so the higher life satisfaction and happiness have people in transition countries – the higher freedom of choice they feel. So, in accordance with EMSAM we can suppose that it will promote the higher aspiration for political empowerment and human development, reflected thus in changes of institutional and structural conditions of life.

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Thank you !

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