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Conceptualizing and Measuring Quality of Life for National Policy

by

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Abstract

The interests in social indicators and social reporting started in the 1960s with the new awareness of poverty in the midst of affluence. In this paper I first discuss the poverty concept and its implication for social policy strategy. The poverty concept should be but one in a system of concepts that throws light on the whole distribution of income and wealth and how income from labor as well as income from capital is generated. The central concepts in the system are *income* and *economic standard*, which I explain in different perspectives on command over resources.

The command-over-resources concept is used to get from a narrow concept of material welfare that can be measured in money to a wider concept of welfare that includes the universal common social concerns. I confess to being intrigued by the fact that a list of social concerns can be agreed upon that seems to be relevant across cultures, political systems and times. I suggest that this surmised universality springs from the great “life projects” that all humans face over the life cycle.

I then discuss the role of social indicators and social reporting as continuous information on these common concerns in the context of an epistemology of the democratic process. Social reporting would serve the democratic process best if it answers “how it is” and leaves the answers on “how it ought to be” and “what should be done” to come about through discussion among citizens.

Keywords: Quality of life; welfare; poverty; income distribution; democratic process

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Introduction

The Swedish Level of Living Surveys or more broadly the Nordic Living Conditions Surveys are but one approach among many in the field of quality of life studies internationally. The Nordic surveys may be of interest as an approach to social indicators and social reporting that has become institutionalized. They are a regular part of official statistics produced by the central bureaus of statistics of the Nordic countries and a distinct branch within sociology. This is most thoroughly the case in Sweden.

In Sweden this line of research and official statistics started in the 1960s as an early indigenous branch of the international movement to develop social indicators and social reporting.

The roots of this research in Sweden of the middle sixties as well as in other countries lie in a public concern – new at the time - with remnants of old-type poverty in the midst of affluence resulting from full employment and rapid economic growth over the two decades of the 1950s and 1960s. In the US, President Lyndon B. Johnson declared “war on poverty” and that there should be a set of statistical “yardsticks” in an annual social report with which the nation “can better measure the distance we have come and plan for the way ahead”. There was a lot of activity on social indicators and social reporting for some years. However, the one and only remaining social indicator from this period in the US is the official statistic on poverty based on the poverty line concept.

In parallel – but independently - the Swedish government in 1965 set up a state committee of experts with a mandate to “consider what kind of information is needed to give the discussion on low income an adequate basis”. This committee was lead by two economists from the LO, the central organization of the blue collar trade unions. Dr. Rudolf Meidner was the chairman of the committee that included also experts from the white-collar trade unions, the employers association and some independent experts. The late Per Holmberg was the very dynamic secretary of the committee.

Meidner and Holmberg drastically widened the mandate of the committee in two steps; arguing initially that what is required is (1) information on the whole distribution of income and wealth rather than only on low income groups and (2) information on the distribution of welfare and well-being in a wider sense than just material standard. I was recruited as a sociologist for this second task in 1967 – in practice to design and execute a survey of the living conditions of the Swedish population as a basis for social policy.

In this paper I summarize some of the frame of reference for these and other surveys that were pioneered by the Low Income Committee in the 1960s and are now in developed form a regular part of official statistics. These can be seen as quality of life studies that have been specially designed to give information for national social policies.

In the first part of the paper I will present a system of basic concepts for studies in the distribution of income, wealth and economic standard of individuals and households. It may come as a surprise that the poverty concept does not have a very central place in the system. Quality of life in this context is conceived of as individuals' command over resources in terms of income and wealth that can be used for need satisfaction by consumption in the market. You will notice that the command-over-resources concept will be central throughout this paper.

The next part is concerned with the wider concept of welfare that was developed for the special level of living survey that was first designed in 1968. The decision to structure the survey into components that were defined to coincide with the main areas of social concern and measure level of living in these areas "objectively" with indicators seems very natural – in retrospect. However, there were lots of economic and other theories standing in the way for the idea that welfare can be measured in an inter-subjectively valid way. As a young sociologist in 1967 – less than half my present age – I did not know that the variation in individual preferences makes objective measurement theoretically impossible. I will somewhat discuss the intriguing fact that these areas of social concern seem to be the same in all countries, cultures and may be also historically.

The final part is supposed to present an "epistemology of the democratic process", which may sound rather too pretentious. This "epistemology" is an attempt to formulate the information needs in the democratic process at the most general level and which of these needs should be satisfied by regular social reporting.

1. Economic concepts for QoL-indicators

Meidner and Holmberg argued that an adequate information basis for discussing the low-income problem was not just statistics on various low-income groups. Low income and poverty are relative concepts, they claimed. Their concern was with equality generally rather than with low income specifically. Therefore they argued that the information must cover the total income distribution, not just income below some poverty line. The information must further show how the income distribution is formed as income from labor and as income from capital and finally how the distribution of factor income is changed by taxation and social benefits to set the level of disposable income for consumption of households of different types.

Using the low-income concept rather than the much more loaded poverty concept is not an innocent thing in terms of national policy strategy. This shying away from the dramatic poverty concept in favor of the relative and rather neutral low-income concept is a characteristic of the Nordic welfare state in which universalistic policies for the whole people are preferred before selective policies for the poor. Why is this?

In an economy under rather full employment the income distribution is shaped like an onion with most persons and households within a rather narrow income range. Rather few are below the big bulge and rather few are also in the thin stem. (See Figure 1).

With an anti-poverty strategy social policy becomes something that the majority above the poverty line do for the minority below the poverty line.

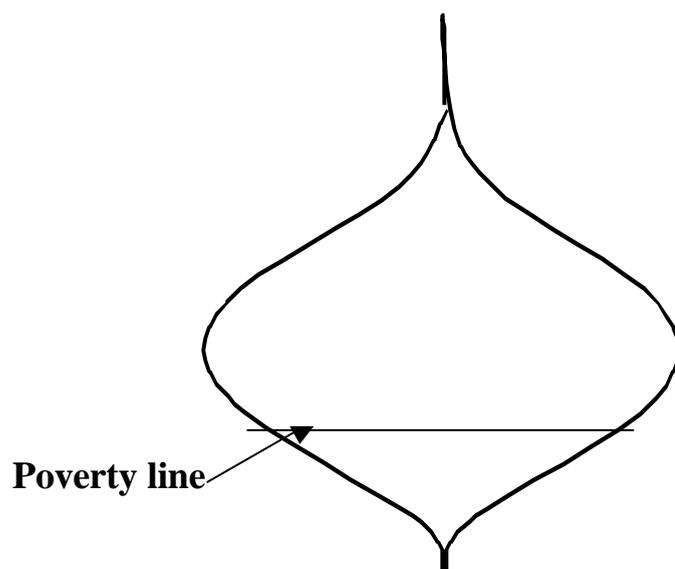


Figure 1. The poverty line in the income distribution

This kind of strategy cannot generate sustained political support from a big majority because it tends to split the working class in the middle. Many of those just below the poverty line will actually resent being called poor while many of those immediately above will not be enthusiastic about paying taxes to support neighbors whose economic circumstances are no different from theirs.

Choosing the poverty concept as one of the central indicators of quality of life for national policy thus has some very strong implications for political strategy. However, the low-income and also the poverty concept, of course, have their place in the system but only as one among several in a system of concepts for material quality of life indicators for national policy.

To what extent is low income, poverty or more generally low material standard caused by wages so low that even fulltime all year work does not give an adequate economic standard? To what extent is low income caused by inability to work full time all year because of unemployment, illness or other circumstances? To what extent is the material standard low because the income must support a large family? These are three basic questions that are interrelated. To answer them a system of basic concepts for material QoL-indicators has been developed as a frame of reference for a statistical system on income, wealth and economic standard. It was originally based on the experiences of the 1965 Low Income Committee but has been much developed since then.

The many boxes and arrows in Figure 2 really illustrate the complexity of the system with the many factors that must be taken into account. The basic concept in a QoL-perspective is economic standard. However, to arrive at that concept in a way that is relevant for considerations of national policy we need several intermediary and auxiliary concepts and indicators. The many boxes and arrows are there to illustrate the many factors and policies that affect the economic standard of individuals and households.

The point of departure at the top of the figure is individual resources (1) in terms of age, work experience, schooling, health, work impediments, etc, which are important for the individual's ability to function on the labor market. Social policies can increase these resources in the population and somewhat influence their distribution, mainly through providing education and health care (2) in a broad sense.

Policies to adapt labor market conditions (3) so that as many as possible can find gainful employment also come in early. Economic policies and the pricing of the factors of production are the most important determinants of employment. Various labor laws on union rights, working hours, labor protection, social insurances are also important in shaping the quality of jobs that are available to the individuals on the labor market.

Annual income from labor (5) is determined by earnings per hour and the number of hours worked per year (6) in the context of general labor market conditions. Differences in hours worked provide much of the explanation for the variations in annual income from labor between individuals in Sweden as in other countries. Insurance for loss of earnings (7) in the event of unemployment, illness, childbirth, etc, does reduce the effects of number of work hours on annual income structure. Adding income from wealth to annual income from labor we get annual market income (8) or annual factor income.

When taxes and rates (9) are deducted from annual income and allowances (10) added, we get disposable income (11), which needs to be summarized from the individual to the household level. In order to make adjustments for need, household disposable income must be related to household composition (12) by an equivalence scale that adjusts for household size and composition. We then arrive at economic standard, the most basic concept for income distribution studies. But even this concept must be interpreted with some consideration of two further factors.

The household's time margin (14) for own production and leisure as well as social consumption rights (15) needs to be pointed out as additional factors to take into account when one's interest is really in final need satisfaction. In international comparisons it is especially important to note social consumption rights, which give the individual access to medical care, education, municipal home help, transportation services, etc, quite free of cost or at very low fees.

Wealth in the form of financial and real assets (18) must also be included as a central concept in the system. In the diagram, the arrows to and from "Wealth" stand for saving and consumption of wealth respectively. The arrows to and from the box "Market prices" (17) represent inflation profits and inflation losses.

A description of the economic situation of individuals and households using the concepts in the upper part of *Figure 2* will detail how income is generated in the economy but also some of the main ways in which economic and social policies can affect the income generating processes particularly in respect to employment and productivity. Full employment is the key to equality of labor income also indirectly in that full employment affects labor productivity. Long spells of unemployment or long periods outside the labor force affects labor productivity negatively besides creating big dispersion in annual incomes from labor.

Big differences in labor productivity between individuals will inevitably lead to big dispersion in wages and salaries in a market economy. Access to education and job training are the means to make all individuals employ-

able at good wages and to make full employment possible without big wage differences.

In this perspective the distribution of households' annual labor income and total market income reflect the distribution of individuals' command over other resources, both so-called *human capital* such as health, education and work experiences and wealth in financial and real assets, *structural*, that is, position in the production system, and *collective*, such as the efficiency of the production system.

Under this assumption annual factor income is an aggregate indicator of all types of resources that individuals and households can command in their pursuits of income. With the factors in the upper part of Figure 2 statisticians can explain a very significant part of the distribution of labor income and total market income.

In a QoL-perspective economic standard in the lower part of Figure 2 is normally regarded as the central concept because of its close relation to need satisfaction by command over resources for consumption. The smaller the dispersion in annual factor income the less must be done through taxes and social allowances in the middle part of Figure 2 to ensure a low dispersion in economic standard between households and individuals and that poverty is reduced as a problem. However, even a very egalitarian distribution of labor income of persons of active age must be adapted to differences in needs of households and families in terms of number of dependants.

Income is an ex post indicator of command over (other) resources while economic standard is an ex ante indicator of (potential) need satisfaction through consumption of goods and services.

A system of social indicators like this and social reporting that serves to clarify the mechanisms behind the generation of the distribution of annual income and of economic standard is a very important instrument for national policy.

2. Towards a wider concept of welfare

The decision that the discussion on low incomes required information not just on the distribution of economic standard as potential command over goods and services on the market but also on the distribution of welfare and well being in a wider sense has been considered the really pioneering act of the 1965 Swedish Low Income Committee. Living standard or welfare “in a wider sense” was a popular concept at the time (quality of life actually came later). A big question for the committee then became; what is welfare or well-being in “a wider sense” than economic standard that can be measured by money?

The committee actually got stuck for a time on the many issues that could be brought in to bear on the meaning of “welfare or well-being in a wider sense”. Particularly divisive was the idea that the committee needed a concrete specification of what is the good life in order to structure what should be included in “welfare or well-being in a wider sense”. Should living conditions be measured objectively according to a common standard or subjectively as well-being according to each individual’s evaluation or satisfaction? The committee heard experts from various disciplines and had questionnaires for a survey drafted but the discussions continued.

The decision of the Swedish Low Income Committee in the end may seem almost trivial. The committee accepted the proposal that the survey of living conditions be structured by a level of living concept that was adapted from a UN technical report on *International Definition and Measurement of Standards and Levels of Living*.

The first and foremost characteristic of that concept is that it both directs and restricts information to the areas where the political mechanism is by some degree of consensus used to affect living conditions through social policy. The concept also organizes the information into level of living components mainly by the sector divisions used in social policy. A corollary of this is that a unitary measure of welfare, a GWP, is rejected in favor of separate systems of indicators that are designed for each of the sector policies, health, education, housing, labor market and so on.

The original nine components in the 1968 survey have been modified in later research in the sociology of welfare and in the practice of Statistics Sweden. The parliament in 1974 decided that Statistics Sweden should start an income distribution survey and an annual survey of living conditions based on the work carried out by the Low Income Committee. Both these surveys are still on-going. Joachim Vogel designed the Living Conditions Survey with a core of indicators on each of the components that were included in the survey every year and then in-dept extensions of some set

of components every third to fifth year. Living conditions surveys were carried out in the other Nordic countries. Statistics Sweden championed the idea that social indicators and social reporting should be based on a comprehensive social survey in the OECD working party on social indicators in the 1970s and nowadays in the European Union. The Norwegian FAFO-institute and Statistics Norway have spread their own version of the idea to a number of developing countries

The list of components of welfare that I use in presentations includes the following nine components. In practice it does not differ importantly from the official Swedish list that Statistics Sweden is using.

1. Economic resources and consumers' conditions
2. Employment and working conditions
3. Education and access to schooling
4. Health and access to medical care
5. Family and social relations
6. Housing and amenities
7. Culture and recreation
8. Security for life and property
9. Political resources and participation

In extending the welfare concept beyond the purely economic aspect, one is faced with a choice at the theoretical level that has been much discussed in Nordic QoL-studies. One can either define this wider welfare concept in terms of degree of need satisfaction or in terms of command over resources (see Figure 3). In this context I just like to mention two of the Nordic sociologists who have developed more subjective approaches for quality of life studies in the 1970s and 80s; Erik Allardt in Finland who developed the concepts “having, loving and being” and Siri Naess in Norway who developed the concept “inner quality of life”. These concepts and similar subjective concepts give important insights in the psychology of the human conditions but cannot easily be translated into goals for national policy. I leave the discussion of such other approaches to QoL-studies to other sessions in this conference.

An approach towards a wider concept of welfare

A very pragmatic approach to a wider concept of welfare is to get many people to agree on a list of components of welfare like the one I just presented that obviously capture common social concerns in most countries. I still like to report on my attempts to provide some theoretical reasoning as

to why a system of social indicators and social reporting for national policy must go beyond indicators on economic standard.

Figure 3 illustrates that first of all there are a number of intervening factors between command over economic resources in terms of disposable income and realized market consumption as need satisfaction of household members. There is no guarantee that the same amount of money gives the same amount of consumption, let alone the same amount of need satisfaction. If one includes also the fact that individuals have different preferences one ends up with the dogma in economic theory that inter-subjectively valid measures of welfare cannot be constructed.

Figure 3 also tries to illustrate that there are needs which money cannot satisfy, but which are nevertheless of vital importance for the individual, for example the need for close relationships with other people. Such needs are satisfied via human relationships, which are "private" by nature, and in which exchanges are made and substitutions occur according to other than market rules.

Figure 3. Level of living as command over resources or as degree of need satisfaction

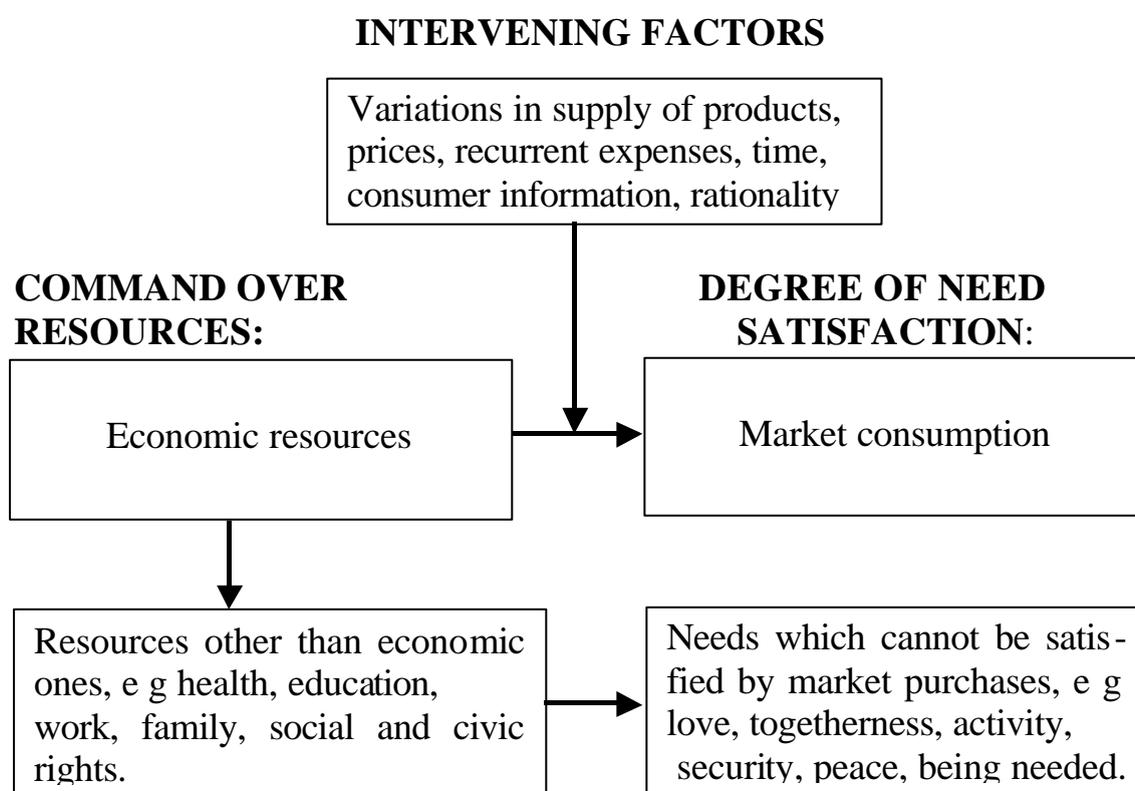


Figure 3 thirdly illustrates that there are other resources than economic ones which in the individual case compensate for or add to economic resources, e.g. health, education, work, family, social and civic rights, etc., which may be as important for the individual's chances of achieving satisfaction as the economic ones.

And fourth, individuals earn income at the expense of differing costs in other respects. Such "costs" cannot only or even primarily be expressed in terms of working hours. "Costs" should include all the conditions under which income is earned through work. For some people, for example, the character and conditions of their jobs are such that working time is positive and enriching. For others work is connected with considerable health hazards at the same time as it might be so physically and/or psychically demanding that a great deal of leisure time must be sacrificed for sleep or rest.

In order to describe the situation of the individual from the point of view of welfare, therefore, one cannot content oneself with describing the individual's command over economic resources and possibilities of consumption in the market alone. Neither is it enough to study the consumer's utilization of purchasing power in the market as in household budget surveys. A wider concept of welfare than the economic one must be applied if one is to develop a comprehensive method for social reporting as a basis for national policies to promote quality of life. One way would be to proceed to so-called household budget surveys that registers how income is used for consumption (horizontally in *Figure 3*) and then widen such a survey to include other needs.

But one can also proceed in the opposite direction in *Figure 3*, and solve the problem of definition in the same way as in economic theory with regard to economic resources as a measure of welfare, where income differences are relevant to welfare on the supposition that in a free market they reflect differences in access to goods and services.

In the same way, one can in social policy theory assume that e.g. health, education, work, family, social and civic rights, etc., are resources with the help of which the individual can control and consciously direct his or her life. One would thereby have created a wider definition of welfare than the economic one.

Welfare can thus be defined as individuals' command over resources in terms of money, possessions, health, education, family, social and civic rights etc. with which the individual can lead his life.

The difference between welfare as need satisfaction and welfare as command over resources is perhaps most clearly demonstrated when considering the behavior of the individual as deliberate actions in a time perspective. In the one case, it is the results of individual actions which are termed welfare and which are to be measured in an inter-subjectively comparable way. In the Nordic discussion this "result" may then be labeled "need satisfaction" as Erik Allardt or "inner quality of life" as Siri Naess have done, or leave it as "utility" as most economists do.

In the second case, it is the individual's having a choice of actions, which is termed welfare. It is not necessary to take a position on whether he actually does fulfill himself (e.g. by sacrificing satisfaction in many areas to gain perfection in one) or is productive of utilities. To borrow a term from economic literature, one can say that welfare is judged in the first case *ex post*, in the second *ex ante*.

Are the social concerns universal?

When I started to meet international colleagues in the field in the early 1970s, particularly in the OECD Working Party on Social Indicators, I was very intrigued by the fact that "my" list was very similar to the lists developed in other countries even if the political system and the cultures were very different. Indeed when I made an international overview of the varying definitions of level of living components - "subsystems" in a document clarifying common social statistical guidelines for the Eastern European countries, "goal areas" in the OECD document on social indicators, corresponding ones in the United Nations' statistical system SSDS, "chapters" or corresponding grounds for categorization in the many different national reports of the Social Trends type - I found a surprising amount of similarity between the lists.

The similarities reflect not only that social statisticians in different countries cooperate with and learn from one another I think that the lists also reveal a high degree of universalism in what is considered as social concerns in all countries. The countries vary as to the form and degree of collective responsibility and in the relative importance ascribed to the different areas but the same areas are everywhere relevant. From a purely theoretical point of view, this surmised universality in common areas of concern is very interesting.

Whether the collective values and needs of the individual are expressed by representatives who are accountable to the people for their decisions in recurrent elections, or whether they are arbitrarily defined by a class bound,

economic or military elite who cannot be removed by the will of the people, these areas comprising the political sphere remain the same.

The underlying cause of this universality could be that the human condition is basically the same everywhere. Some of the problems and challenges facing people over the life cycle in every society must be solved collectively.

The collective takes some form of responsibility for individuals who suffer loss of health or weakness in old age in every society. How work is organized and the results of production distributed must be collectively regulated in every society. In every society one must in one way or another collectively regulate how new generations are to be socially initiated into the society (educated). In all types of societies there are collective arrangements for recreation and cultural expression. The individual's political rights and duties are everywhere regulated, even if in very different ways. Everywhere, attempts are made to uphold order and - at least in principle - to protect individual life and property.

Yet, I have been unable to find any structural principle for these collective interests. The list contains concepts at different levels of abstraction. They do not therefore form a general system of concepts, which might give a logically connected structure to the whole area of study.

This is probably because the various areas of politics have not emerged according to any easily discernable logic and because citizens' political ambitions cannot exclusively be classified in level of living terms, even using our wider definition of level of living as "the individual's command over resources...with the aid of which he can control and consciously direct his own life."

There may be some infinite variation in the preferences of individuals as to the basket of goods and services that they want. However, when they gather to decide what should be the collective concerns they tend to arrive at the same answer in all countries, in all cultures, in all history because these concerns spring from the big life projects that all humans face over the life cycle;

- To be cared for, nurtured and fostered as a child
- To be trained or educated as a preparation for the adult roles
- To find a job in the system of production
- To find one's own place to live and to form a family
- To maintain health over the whole life cycle
- To be protected against violence and crime
- To find a societal identity in culture and as a citizen

3. Epistemology of the democratic process

How should citizens in a democracy act to insure that their orientation in the world and their common decision-making in the public realm are informed by the best possible knowledge? What is the role of social reporting and how can it function in an epistemology of the democratic process?

I do not know what the reader associates with the concept of "epistemology".¹ My own thinking originally went to lengthy hair-splitting arguments among abstract philosophers about what is knowledge and if knowledge is at all possible. This is not what I propose to do. I mean the lengthy hair-splitting.

Epistemology as I will use the concept is the normative theory of knowledge, which I translate to mean *how to secure good answers to important questions*. In this context the concern is with good answers to important questions in the democratic political process, conceived of as a method for a citizenry to arrive at common decisions that are binding on all in the land.

First we need to look for the important questions in the democratic process. Of course, we could stay there forever arguing over the many intriguing problems. Which are indeed the important questions in the democratic process? They cannot be detailed in substantive terms and set up in their order of priorities. Is disarmament more important than global warming or international trade? Is inflation more important than unemployment or the budget deficit?

The important questions must be detailed along general rather than substantial lines. I take the important questions to be the three most general questions for any rational actor: (1) How is the situation, (2) How ought it to be, and (3) What should be done? These questions are important in that they are always there implicitly or explicitly whenever there is decision-making and whatever the substantive issue.

We also need to see that these questions differ very much from each other as to how they should best be answered.

¹ According to *Encyclopedia Americana*, (New York 1971), vol 10, pp 430-433, "we may say that the epistemologist is primarily concerned to analyze and understand certain philosophical concepts. These include the concept of knowledge itself together with many others which we employ when we characterize knowledge - the concept of meaning, belief, truth, proposition, faith, certainty, probability, evidence, confirmation, justification and rationality...the epistemologist hopes to discover and formulate the basic assumptions which underlie human knowledge, both common-sense knowledge of the world around us and the more obtruse knowledge of specialists".

How it ought to be

Embodied in how it ought to be are all conceptions of conditions desired or sought, as well as the individual's aspirations for himself and his own group. Objective methods cannot determine how it ought to be.

Therefore, citizens should not allow political decisions to be reduced to problems appropriate for experts only. At the very core of the concept of citizenship lies the notion that the view of every citizen on how it ought to be should be of equal weight.

This does not mean that citizens collectively should decide how it ought to be by each and every one subjecting himself to questioning, as in an opinion poll. These different opinions on how it ought to be would then be calculated mechanically. The total would not represent a "common will" that is reasonably consistent as to economic, social and environmental developments and also fairly weighed as to the interests of strong and weak groups in society.

Citizens' discontent, wishes, demands and goals ought therefore not to be revealed by any mechanical process such as opinion polls, but through discussion in a political process.

Discussion provides a means whereby individual personal interests can be weighed against each other. Discussions permit demands and wishes in different areas (schools, medical care, communications, defense, taxation, pensions, etc.) to be weighed against each other. Individuals and groups of citizens can be brought to see how demands in different areas may be incompatible or impossible to satisfy simultaneously.

Discussions facilitate the dissemination and consolidation of opinions among the people. A view of how it ought to be only becomes a serious political factor when some group of citizens (a "party") adopts it and takes responsibility for it. It is also by this means that elected representatives are linked to movements.

Social reporting based on questioning the individuals as to how it ought to be does not facilitate the democratic process as outlined by the theory of representative democracy. Strictly speaking, such investigations merely simulate the democratic process in a non-constructive way. Discussion within a political organization is the best way of formulating an answer to how it ought to be.

What should be done?

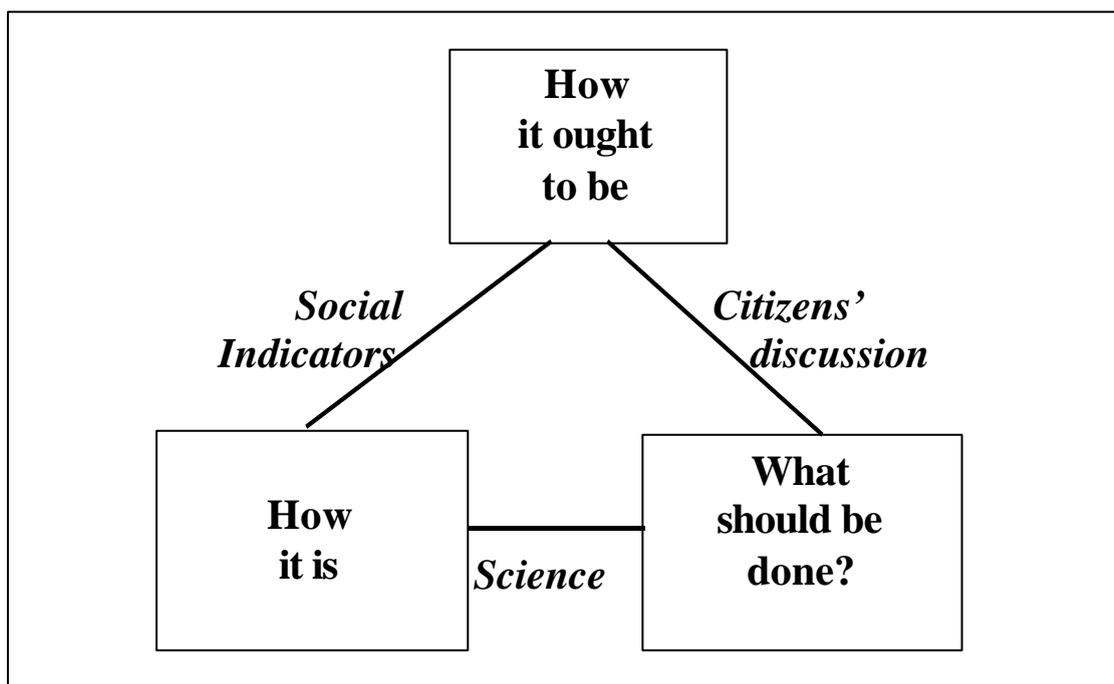
The question of what should be done is fundamentally of a different character than the question of how it ought to be. The difference may be

expressed by saying that whereas citizens must agree on the goals on the basis of self-interest, they must choose the means on the basis of information concerning cause and effect. Nor can the choice of means be reduced to a problem to be left to experts. Experts can only give guidance as to what should be done on condition that they are given detailed instructions as to how it ought to be, viz. the goal of the measure in question.

This does not mean that citizens' views of what should be done can best be discovered by questioning each individual, as in an opinion poll. The reasons against this are partly the same as against investigating how it ought to be by solely mechanical listing. Measures in different areas must be coordinated, both with regard to costs and in order to avoid conflicts.

Such compromising is essentially a question of evaluation, where the interests of each citizen should be considered equally. The question of what should be done must therefore in the final analysis be tested in a political process intimately connected with the choice of goals. Measures must be harmonized and crystallized into total programs.

Figure 4. The epistemology of the democratic process



Social reporting based on questioning individuals about what should be done contributes nothing to the democratic process, since it is easy to confuse opinion polls with referendums, a situation which makes it easy for the elected representatives to be deprived of or to wriggle out of their responsibilities. A mechanical reckoning which combines informed opinion

with spontaneous, uninformed or mainly emotional opinion is clearly unwise. An opinion poll on what should be done might be meaningful if respondents before answering the questions could consult with the best experts in the land on all that should be taken into account like elected representatives and responsible governments must do.

As stated before, the citizens' chances of collectively arriving at a conclusion as to what should be done, is best furthered by party participation, and by each individual studying the questions involved and ensuring access to competent expertise. Therefore, social reporting about what should be done ought not to have the form of questioning individuals about their private opinions.

How it is

The actual living conditions and how they change in those aspects that influence the citizens' views of the welfare development are as important questions in the political discussion as the two analyzed above. Is the state of public health improving or deteriorating? Are working conditions becoming better or worse? Is the distribution of income and wealth among individuals and households widening or narrowing? Are human relationships within the family and in other contexts becoming richer or more impoverished? Is crime in the forms of theft, vandalism, violence, etc increasing or decreasing? Is participation and involvement in politics increasing or decreasing?

Citizens cannot get good questions to these answers by discussion, by voting or by experts deriving answers from some theory. Citizens can arrive at good answers only by organizing "counting" and by all citizens agreeing to contribute to the process in which each and everyone's participation has equal weight. Social reporting based on comprehensive living conditions surveys can be conceived of as *citizen reports* on social and economic change.

Conclusions

When we consider the democratic political process as a means of deriving, from many individual views, collective answers to the three questions of how it is, how it ought to be and what should be done, we can draw a basic conclusion: social reporting is not needed - according to the theory - in order to obtain answers to the questions of how it ought to be and what should be done. On the other hand, if social reporting is directed at answering the question of how it is, it can fill a gap in the theory and practice of the democratic political process.

Epistemologically speaking, we would also want to understand the nature of "good" answers to these kinds of questions in the context of the democratic process. Truth is the most important concern when we think of "good" answers to the question on how it is, but truth is not the only concern. Authenticity might be one of the important characteristics of a "good" answer to the question on how it ought to be. Efficiency and effectiveness come to mind in relation to the third question on what should be done. But both answers to the latter questions must also be moored in the people through discussion be informed by best available science.

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