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MATERIAL AND NON – MATERIAL DETERMINANTS OF EUROPEAN YOUTH’S LIFE QUALITY

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ABSTRACT

The paper confronts chosen approaches to quality of life studies with recent changes in post-crisis socio-economic environment. The focus is on European Youth at verge of entry into adult life. Presented research is a preliminary study for “The Application of Artificial Intelligence Methods for Analyzing Material and Non-material Determinants of Life Satisfaction between Young People from Developing Countries” project. Identifying and grouping the determinants of their life satisfaction could result in elaborating an innovative approach, providing European Youth with a new perspective on their personal and professional development options and allowing them to achieve a decent level of life satisfaction.

Key Words: *Human Life Quality, Determinants of Life Quality, Qualitative Research. JEL: I31, F68, C45*

INTRODUCTION

Developed Western economies have been recently witnessing the evolution of social tensions into mass movements. Anti – ACTA law demonstrations, Spanish *Indignados*, North American *Occupy Wall Street* or Polish *Oburzeni* proved that a growing number of young people often referred to as NEETs (*Not in Education, Employment or Training*) can destabilize existing economic models significantly. At the same time an important number of Youth from all over industrialized Western World cannot – or do not want – to discount the development opportunities offered them by former generations and existing education systems. Observers of this process adopt different perspectives on the issue, varying from judging Young People as spoiled, lazy or unproductive, towards presenting them as innocent victims of the almighty international financial crisis. Whatever the truth is, the author assumes that changing attitudes of European Youth already became a visible feature of Western countries’ reality. Together with the fact that mentioned groups of Youth became in their mass a noticeable force on the socio-economic scene, the entire problem of attitudes of young people in post-crisis economies seem to be worth studying.

Human life quality studies can occur in two dimensions. Researchers can search for determinants, measuring levels of quality of life of groups of people or even entire societies or those of individuals. Due to the immensity of the subject, author’s interests bend towards studying the quality of life of individuals, especially of European Youth. To be more precise, the research target group will be composed of young people from developing European countries at the verge of entry into their adult lives, facing decisions that will most possibly

help them to achieve a satisfactory level of life or just the opposite – become obstacles on their path to happiness.

Another few words of explanation are due to define the *satisfactory level of life* notion. One could ask why not *optimal*? This choice results from author's research on the sense of constant hunt for happiness. Bauman (2012) analyzes Rustin's (2007) thoughts about this issue and finds out that "*On the track leading to happiness, there is no finish line*". At the same time we can observe a constant pressure effectuated on young people by numerous environmental factors to be the most effective in every field of their activity, often without paying attention to material and non – material costs of these commitments. Meanwhile, there is no clear evidence that such an attitude results in achieving higher standards of quality of life, which is backed by Bauman's (2012) findings. We could even tempt a slightly provocative, counterbalance statement, saying that instead of losing energy on endless enhancement of some future happiness, focusing on living the actual moment here and now would be way more rational. This somehow reflects basic economic logic of obtaining highest possible results at possibly lowest costs. Kołakowski (2009) supports this thesis by summarizing his findings on the issue when discussing the idea that "*Happiness is just lack of misfortune*", which – in its turn – could be accepted as a negative definition of happiness.

But how does the issue of human life quality contribute to International Economics or International Business science? Well, it seems rational to assume that any durable change in consumers' minds should result in companies adapting their strategies, behaviors and products to actual tastes of their customers. The growing popularity of Corporate Social Responsibility practices in the strategies of companies could be a direct proof for the thesis that including non-material values into economic functioning of societies is a natural path of development for those already highly developed ones.

The presented paper reflects author's search for a deeper understanding of mentioned socio-economic processes. It also tempts to search for a universal set of quality of life determinants that could form a complex model allowing each individual to choose from a specific set of material and non-material determinants those that will contribute to the highest possible level to his or her needs in personal development. In author's opinion, to contribute to the service of humanity and society, the science of economics needs to refocus on individuals and their human values, incorporating material and non-material ones into one general scope.

1. CHOSEN APPROACHES TO HUMAN LIFE QUALITY

The concept of Quality of Human Life is usually perceived as an interesting field for research for scientists with medical background. An important number of publications about enhancing human life quality by curing maladies or lowering physical pain can be found. Although today it seems to be obvious, Thorwald (1957) observes that this belief is not older than 200 years. Past century of scientific research broadened Quality of Life (QoL) studies by psychological contexts. Economists seem started researching this issue even earlier. Already Smith's Theory of Moral Sentiments, dating from 1759, included his rhetorical question "*What can be added to the happiness of a man who is in health, out of debt, and has a clear conscience?*" (Smith, 1759, p. 45). In past decades other dominants joined, just to mention sociology, ecology, sport sciences, biology, engineering or chemistry. At the same time, although the humanity seems to have a large toolbox necessary to improve the quality of life of individuals, it hardly ever uses the entity of available means.

Though, a question arises: if quality of life and happiness has been discussed and researched from so many different angles, why Western societies witness the dictate of happiness model based on money – related values? Aren't there any other values? Do the existent models describe the reality precisely enough? Are they possible to be applied by non-professionals?

Traditionalist economic approaches to measuring quality of life often tend to put an equality symbol between income and human life quality. Incomprehensively, they have dominated the public discourse to the point, where one of the most important economic data when talking about country's development level – and mentioned in first instance – is Gross Domestic Product or GDP per capita. Taken into account the vast amount

of literature discussing the utility of GDP for QoL studies, there is no need of repeating well known arguments, although it is important to underline a purely economic, therefore limited character of this index. In their widely discussed report Stiglitz, Sen, Fitoussi (2009) recommend to adopt a different perspective on the issue by saying “*When evaluating material well – being, [one should] look at income and consumption rather than production*” (p. 12). Whereas material determinants of human life quality seem to bear an important influence on the matter in question, past global occurrences, namely the global financial crisis proved a growing need for more complex approaches.

The concept of widening categories of factors contributing to the quality of human life by non – material ones is not new. Stiglitz, Sen, Fitoussi (2009) mention that “[...] *the time is ripe for our measurement system to shift emphasis from measuring economic production to measuring people’s well-being*” (p. 12). When discussing the notion of happiness Alkire (2008) says that “*data on [people’s] emotional states are not limited to material means*” (p. 3). An important part of researchers until now active in purely economic areas became more favorable towards including non – material data into their studies, which became possible partly thanks to development of methods allowing to include empirical qualitative factors into statistical data sets by transforming them into quantitative ones. Methodology in question includes *inter alia* AHP and ANP methods (Analytic Hierarchy Process, Analytic Network Process), fuzzy logic, neural networks and other instruments based on Artificial Intelligence.

Șerban – Opreșcu (2012) goes even further by stating that “*The complexity and dynamics of current social and economic phenomena determined a growing body of economists to ask for a renewal of economics methods and a repositioning to the current society problems. The defining element of this new theoretical approach should probably be its multi and interdisciplinary character. By accepting and using assumptions and explanations beyond the accepted limits of purely traditional economics, quality of life studies could open a path to the new social sciences*” (p. 79).

Taking into account an important number of approaches to QoL studies, some sort of classification into more general groups is necessary. Șerban – Opreșcu (2012) proposes to divide them into three groups:

- 1) Purely economic approach inspired by consumer theory which is trying to provide some viable economic explanation to non – material aspects of life.
- 2) Utilitarian approach, where subjective well-being is derived from the utilitarian theory which aims to explain specific phenomena through individual subjectivity.
- 3) The capabilities approach inspired by Sen's theory that aims to assess the quality of life through objective indirect observations on the actions and status of a person (p. 86).

First of these approaches is based on the assumption that quality of life is directly linked with purchasing possibilities of an individual, who is rather referred to as a consumer. Alkire (2008) supports this thesis by saying that “*The most common resource measures by far are monetary indicators of income or consumption*” although “*Non-monetary resources may include a range of assets, as well as access to certain public services such as health, education, water, electricity, and roads*” (p. 2). Therefore a hypothesis, that our quality of life is a derivative from our economic status and consumption opportunities resulting from it can be formulated in frames of the purely economic approach. This attitude was predominant for Western QoL studies during most of the post-war period of prosperity and growth. It has highly influenced indexes used to measure the development level of societies – and therefore state policies. Accordingly to this logic, non-material determinants of human life quality are often graded as less relevant in relation to the material ones. In effect, there is a general belief that maximizing consumption is a logical way towards a happier life. Whereas it seems to be too much of a simplification, the purely economic, consumption-based approach provides some space for other than economic values in life, namely consumer’s freedom of choice, but limits them to goods and resources only. Sen & Hawthorn (1989) summarize this debate by saying that “*The value of the living standard lies in the living, and not in the possessing of commodities, which has derivative and varying relevance*” (p. 34).

The utilitarian approach can be generally understood as an evolution of the purely economic one by introducing the notion of “utility” as a predominant feature of goods and resources to be consumed. One can notice that the preferences and satisfaction of individuals and societies gain some importance here. Nevertheless they are still perceived just as a mean towards achieving a higher goal – maximizing consumption levels by

pushing the income, technological or productive constraints upwards and therefore being able to increase the amounts of purchased sets of goods. An aware consumer would also tend to maximize the utility of resource allocation, money included, and focus his or her efforts on lowering the losses and lost opportunity costs coming from non-optimal or faulty consumer decisions. A higher level of quality of life is believed to be achieved by maximizing consumer's individual utility. Recent studies point at broadening the utilitarian approach by other factors, such as social responsibility or business ethics (Burnes & By, 2012; Boboc, Dumitru & Stancu, 2009), but the overall idea of maximizing the utility of resources and therefore minimizing the externalities in their allocation remains the crucial goal of individual and institutional consumers in frames of the utilitarian approach to quality of life. Though, the problem of researching it by analyzing only the economic measures still remains. Stiglitz, Sen & Fitoussi (2009) call it the *subjective well-being* concept, which assumes that "*individuals [are] the best judges of their own conditions*" (p. 42). By adopting this point of view on the utilitarian approach, cited authors provide individuals with the right to pursue satisfaction and happiness as the ultimate goal of their existence.

In relation to both approaches presented above, the capabilities methodology provides a different view on the factors that determine the quality of human life. It introduces the notion of "*capabilities*", which exhibit human freedom of choosing between various "*functionings*", that – in their turn – are a combination of different sets of "*doings*" and "*beings*". Saito (2003) explains the capabilities approach by saying that "*The capability approach makes two basis assertions: (1) that the right perspective from which to judge a person's well-being is functionings, and not necessarily mental attitudes such as utilities; (2) that, in judging from the perspective of functionings, we should not merely look at whether a person is enjoying the preferred alternative but whether a person actually has the choice of an alternative: freedom to choose*" (p. 26). Stiglitz, Sen & Fitoussi (2009) state that "*The foundations of the capability approach, which has strong roots in philosophical notions of social justice, reflect a focus on human ends and on respecting the individual's ability to pursue and realize the goals that he or she values; a rejection of the economic model of individuals acting to maximize their self-interest heedless of relationships and emotions; an emphasis on the complementarities between various capabilities; and a recognition of human diversity, which draws attention to the role played by ethical principles in the design of the "good" society*" (p. 42). Therefore the capabilities approach is perceived as the first to expand the material determinants of quality of life by non-material factors, i.e. education accessibility, social status, personal needs and activities, health, freedom, active and passive political rights, relations with other people, environment's quality, security and others (Nussbaum & Sen, 1993).

In author's opinion all of the above approaches exhibit a limitation, which does not allow to see them as complex methods for enhancing the quality of life of individuals. This constraint comes from the fact, that they are implying the use of normative and objective evaluations of attitudes of concerned people. What could be seen as an advantage in case of research on the quality of life of the society, cannot be applied to individuals, because the only person who can judge the usefulness of a given attitude or approach is the individual in question. Therefore there is a need for a more complex approach, including all three above, enriching them by some extra values, too, but above all – providing space for individual assessment of relevance of particular factors, accordingly to the needs and preferences of the concerned person.

Measures and indicators applied to quality of life research are numerous and evolving in time. The first stage of this process was based on material factors. Non-material determinants have been taken into account in its second stage. Already Nissel (1970) noticed that "*economic progress must be measured, in part at least, in terms of social benefits and the fact that it is just as important to have good statistics on various aspects of social policy [than it is economic statistics]*" (after Hicks, 2012, p. 1). The presentation of the capabilities approach (Nussbaum & Sen, 1993) and their following developments pushed this process further on, but at the same time included mainly external factors, independent from and not directly related to the person in question. Alkire's (2008) quote, saying that "*Although resources are [...] not an adequate space for assessing quality of life, indicators of resources – of time, of money, or of particular resources such as drinking water, electricity, and housing – are still highly relevant to quality of life measures*" (p. 3) shows her interest in non-material determinants external to the individual, but at the same time proves that second stage approaches do not cover a vast set of factors determining the individual life satisfaction. It would be unjust not to mention that the quoted author does notice most recent changes in QoL research.

Analyzing the subjective reception of well – being of individuals as a contribution to human life quality is not a brand new concept, but only recently started to attire growing researchers’ attention. Layard (2005) says that “*If we want to measure the quality of life, it must be based on how people feel*” (p. 113). Stiglitz, Sen & Fitoussi (2009) also follow this logic by dividing the quality of life measures into subjective (“*dimensions of quality of life and the objective factors shaping these dimensions; cognitive evaluations, positive affects and negative affects*”) and objective (*health, education, personal activities, political voice and governance, social connections, environmental conditions, personal insecurity and economic insecurity*). These authors give their attention to the importance of some cross – cutting issues in frames of adopted division (p. 43 – 59). Kahneman & Krüger (2006) propose a reverse approach by calculating their U – index, which “*measures the proportion of time an individual spends in an unpleasant state*” (p. 19). At the same time Diener & Suh (1997) are suggesting to analyze economic, social and subjective QoL measures altogether, which can be understood as opting for a complex approach to quality of life studies.

Taking the above into account, it is highly possible that QoL research recently entered its third phase which will focus on researching on people’s subjective reception of happiness. It would be useful to tempt to combine the findings of the three stages of research into one complex model, including all the factors relevant to the quality of life, together with their subjective ranking and generalization on larger groups of individuals and societies.

2. MEASURING THE QUALITY OF LIFE OF YOUNG EUROPEANS

The infinite choice of subjective measures and indicators used in QoL research can provide scientists with serious headache. Nevertheless, attempts of downsizing their number to a smaller scale do happen. The question arises which are those to be omitted or what grades should be attributed to remaining ones. For the needs of the presented research the author will adopt Alkire’s (2008) concept: “*Any approach to quality of life may wish to select the space in which to measure quality of life. Of course indicators may be used from different spaces, but a conceptually coherent approach should be able to explain why particular indicators have been chosen*” (p. 2). In authors opinion this coherence can be reached by understanding the nature of the quality of life.

Modern approaches show that measuring the quality of human life is directly linked to subjective reception of individual level of happiness. After studying classical thinkers Tatarkiewicz (1962) proposes four definitions of happiness:

- a propitious coincidence;
- a positive experience;
- maximization of amount of owned goods;
- overall life satisfaction expressed at its dusk.

The philosopher also underlines that because of its complexity, the real nature of happiness can be fully expressed only by the last definition. It is important to add that in Tatarkiewicz’s opinion the notion of *owned goods* relates not only to material possessions, but also to non-material values, such as emotional states allowing to deal with stress and difficulties and to enjoy everyday life. (p. 15 – 29). Last, but not least, even this renowned philosopher does not attempt to provide the readers with a comprehensive definition of happiness, because of its individualized nature. He only states that “*Happiness is an abiding, full and justified contentment of life. Or: it is a life providing with an abiding, full and justified contentment. There are two definitions, because happiness is a reversible phenomenon*” (*ibidem*, p. 40).

Author’s research lead in frames of the “*Socio – Economic Implications of Global Financial Crisis for European Youth*” project (Gawlik et al., 2012) between 31 Croatian, German, Polish and Slovak students, who with no doubt belong to the “European Youth” target group, showed that young people at the verge of their entry

into adult life and professional careers experience a series of difficulties coming both from material and non-material determinants of their future effectiveness and awaited life success. The following paragraphs will present findings from this study. At the same time relevant QoL determinants will be extracted and allocated in one of mentioned factor groups.

The respondents mentioned a broad set of factors determining young people's life quality. The questions have been answered in open form (written essays, discussions and direct interviews). The respondents' concerns have been divided into material and non-material factors that have influence on their life quality. Material factors countered following issues:

- low expectation of future salary level;
- burden of student's loans – they have to be paid back even if there is no work after studies;
- investment risk that follows self – employment;
- rising costs of living accompanied by decreasing salaries;
- incertitude of financial investments – coming from low level of trust to the financial sector caused by its attitude and condition during and after the crisis;
- trouble with saving money for the future;
- low level of retirement pensions (if available).

Non – material factors could be divided into:

- Fears resulting from:
 - little availability of jobs;
 - low stability of jobs;
 - underqualified posts;
 - not being able to combine private and professional life;
 - general fear of the future.
- Inconvenience resulting from:
 - need for constant mobility;
 - need for networking (to know “the right people”);
 - separation with family and friends;
 - working at uninteresting positions;
 - working for inadequate salaries;
 - information overload;
 - uncertainty about the relevance of one's occupation to the society.
- Disappointments coming from:
 - low importance of students' University performance;
 - incompatibility between education and labor market;
 - escapist attitudes - maintain educational fiction in order to push away the moment of entry into adult life to the limit (Gawlik & Kopeć, 2012).

Although the material factors do not seem to be a very innovative discovery, the set of non-material ones provides food for thought. What attires attention at first glance is that many of them are related with emotions – fear, inconvenience or disappointment. Another point is that even if the respondents mentioned them only after the material ones, they still did rank them as relevant or even crucial, when it comes to their influence on the quality of their lives. The presented study shows preliminary findings of research based on European Youth's experience and definitely has to become a subject for further, deeper and wider data collection and analysis.

3. CONCLUSION – DIRECTIONS OF FURTHER RESEARCH

As the nature of an important part of European Youth's concerns about their future quality of life consists of emotional factors that are subjective to each individual and therefore cannot be easily generalized, the application of artificial intelligence methods seems to be promising for further research. The reason for such a try is the need for combining the actually used descriptive measures and available indexes into one complex

model that should include both qualitative and quantitative determinants. Because of their nature, based on human – type reasoning, neural networks and / or fuzzy logic processes could become a proper tool for such research, due to their similarity with human decision making – the core of the process itself is less important than the interrelations between various input and output data sets.

The main thesis of future research could possibly state that “A satisfactory level of life quality can be achieved by finding a proper balance between material and non – material determinants of life satisfaction.” Additional sub – theses should be checked. They could be formulated in the following way:

1. The choice of possible life patterns is a limited number.
2. A proper balance between private and professional life results in lower general costs of achieving higher levels of life satisfaction.
3. A higher level of decision making consciousness at the beginning of professional development results in a higher probability of final success.
4. Artificial intelligence methods, in example neural networks and fuzzy logic are a proper tool for proposed research, analysis and elaboration of scientifically aided decision – making models to enhance success when undertaking important life choices.

The research should also provide action strategies for young people that are interested in enhancing their life satisfaction in a longer scope. Findings from mentioned initial research showed at least four possible options:

1. Direct adaptation to the actual socio – economic system – full acceptance of the actual state of affairs and efforts to fit into it to the highest degree.
2. Focusing on professional development – through education, experience and training.
3. Focusing on individual personal development – enhancing self – awareness and consciousness.
4. Alienation – living aside the society, without taking part in its mainstream (Gawlik & Kopeć, 2012).

Of course plenty of questions arise. Is this set a closed one? Which of these strategies provide European Youth with most possibilities of succeeding to have a decent quality of life? Or may it be a combination of all of them? At which proportions?

Although gaining the general ability of adapting to turbulent environment seems to be the proper answer to these questions, the real problem is how to do it? As it appears to be highly biased by individual preferences, further research should concentrate on providing young people with help when making strategic decisions about themselves. Tatarkiewicz’s (1962) “*full and justified contentment of life*” can be achieved only by a conscious choice of paths leading towards wanted happiness. At the verge of Youth’s entry into professional and adult lives every mistake would highly influence their future performance and therefore contribute to their final success or failure when fighting for an acceptable quality of life.

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