

Chapter

3

Well-being Creates Vibrant Cities

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INTRODUCTION

This chapter is centred on the connection between well-being and cities. It draws on the dialogue session that took place during the World Cities Summit 2008 on the topic “Well-being Creates Vibrant Cities”.

Throughout the Summit, we heard from speakers from all over the world on topics such as good governance, urban planning, land transportation, public-private sector collaboration and environmental sustainability. Well-being is a less tangible product, but no less important to people. What is the relationship between happy citizens and vibrant cities? Is happiness an accident of individual attributes and attitudes, or can it be influenced by the conditions in which people live? Should governments care only about what we could call objective conditions of well-being, or should they pay attention to subjective well-being too?

I will start by outlining the key points of our two speakers and then give a few comments on the theme of this session. The first speaker, Mr Jim Clifton, Chairman and Chief Executive Officer (CEO) of Gallup Organisation, USA, explained the significance of brain gain for economic growth, and introduced the Gallup behavioural model for societies, which traces the upward path of societies from basic, material needs (law and order, food and shelter) to intangible, post-material needs (well-being and citizen engagement), talent attraction and retention, and ultimately economic growth. Professor Ed Diener, the Joseph R Smiley Distinguished

Professor of Psychology at the University of Illinois at Urbana-Champaign, USA, elaborated on the concept and sources of well-being, explaining that subjective well-being depends not just on individual character but on the conditions we live and work in. We can think of it as a positive feedback loop: vibrant cities can help create the conditions for happiness, and happy citizens contribute to vibrancy in cities.

A BEHAVIOURAL ECONOMIC MODEL FOR SOCIETIES

Brain Gain

Mr Jim Clifton started the session with a provocative thought: a handful of people can change the world, or at least the economy.

He told us that some 30 years ago, he watched a group of economists on television predict the gross domestic product (GDP) of the United States, Japan and Germany in 30 years. According to their projections, Japan would end up at about US\$5 trillion, Germany at about US\$4 trillion, and the United States would come in third at about US\$3.5 to US\$3.8 trillion.

Today, we can see that their predictions were quite close for Japan and Germany — Japan's economy was around US\$4.5 trillion in 2007, and Germany's economy was over US\$3 trillion. The United States' economy, on the other hand, was around US\$14 trillion in 2007 — roughly three times the size, or US\$10 trillion more, than it had been projected to be.

The Gallup Organisation was intrigued by the large difference between the experts' predictions and the actual GDP of the United States, and so sat down one day to count all the people who had contributed the additional US\$10 trillion to the United States' economy over the last quarter of a century. To their surprise, they counted only a thousand people. And of that thousand, only four hundred were born in America; the other six hundred were foreign-born.

That was what the economists had missed 30 years ago — the importance of *brain gain* to economic growth. Brain gain is defined by Gallup as a city or country's attraction of talented people whose exceptional gifts and knowledge can create new businesses and jobs, and henceforth increase that city's or country's economy. The economists had underestimated

the value of innovation and entrepreneurship that led to the technology revolution in the United States. The next predictor of economic growth would not be land or natural resources, or a good port or airport, but global migration patterns — the 600 immigrants that had contributed part of the unexpected US\$10 trillion. Mr Clifton's prediction was that economic growth would follow talent; the next economic powerhouse would rise wherever they were.

What the World Wants

But where do talented people want to go? To put it another way, what affects global migration patterns?

Mr Clifton had a two-part answer for us: people go where they can find good jobs, and where they can have a high level of well-being.

The Gallup World Poll, initiated in 2005, is a collection of behavioural economic indicators across citizens in more than 140 countries. It asks respondents 100 questions across seven critical conditions — law and order, food and shelter, work, economics, health, well-being and citizen engagement.

What the world wanted, according to the World Poll, was a good job. The Great American Dream used to be to have a family, to have peace, to own your own home but not any more. Now, it was to have a good job. At the most fundamental level, all across the world, people went where the jobs were. If they are spoilt for choice, as talented people often were, they could go to cities where they could enjoy a higher level of well-being.

The Gallup Behavioural Economic Model for Societies

Gallup built on the insights of the World Poll to draw up a map of a society's economic development, showing the conditions that needed to be in place to create brain gain and ultimately higher GDP. GDP here serves much the same purpose as a company's stock price, as the single most useful indicator that a country is running well. Brain gain was picked as the single most important predictor of GDP, at least in the next 20 to 30 years or so. The Gallup model, as shown in Figure 1, can be seen as Maslow's hierarchy of needs writ large, and updated for the twenty-first century.

The most fundamental condition is *law and order*. Any society that lacks law and order has to make their restoration its first priority.

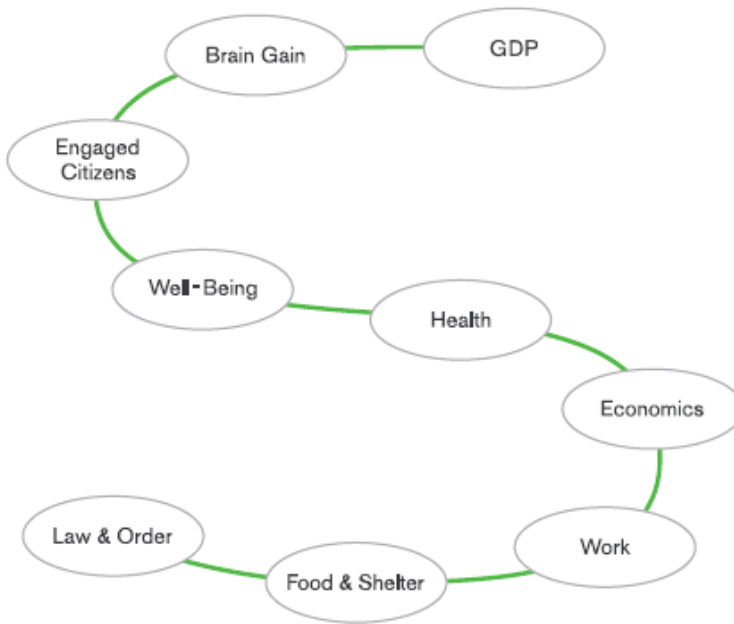


Fig. 1 Gallup's behavioural economic model for societies

Source: Gallup, Inc

The next condition is *food and shelter*. These are highly correlated with life expectancy in lower-income countries. Food and shelter are basic material needs, but come in second because they depend at least in part on law and order in the society.

Next is *work*. The most important discovery of the World Poll, as Mr Clifton introduced to us, is that everyone in the world wants “a good job”. Work is related to net migration in higher-income countries and GDP growth in lower-income countries. We can think of law and order, and food and shelter, as basic needs, associated with self-preservation. Work is where our social nature begins to show itself — where the positive emotions that lead to creativity and openness are developed.

The fourth condition is *economics*, meaning people's perceptions of the economy and in particular their confidence in the economy. If confidence is generally high, or if innovators and entrepreneurs think that the economic climate is good, they are more likely to try and implement their ideas in that country, to start a business, to put down roots in the community.

The fifth condition is *health*, referring to both physical and mental health. Good health is correlated to well-being in low and middle-income countries. Having healthy people creates more vibrant communities and more productive work places.

If a society can get the first five conditions right — if it can establish law and order, ensure that its people have food and shelter, a good job, a stable economy, an environment conducive to business, and good health — then that society already has a huge productivity advantage over other societies.

The final two conditions are more difficult to bring about. Subjective *well-being* comes next, meaning, according to Gallup, the presence of suffering or thriving, misery or inspiration, feeling controlled or feeling independent. Well-being affects people's ability to innovate, improve and invent. Well-being is still felt on the individual level, like the first five conditions. We will discuss the impact of well-being on our ability to be good workers and good citizens in the next section.

The next bubble in the behavioural economic model is *engaged citizens* — opportunity and willingness to participate in and engage with the community, to build relations between different individuals and groups in the community. This enhances trust and cooperation within the community, and helps boost productivity. It also creates a positive environment that is welcoming to others, and can attract talented people to work and live in that community. That brings us back to *brain gain* and higher *GDP*, completing the model.

It seems to me that most governments understand the importance of the first five elements. Governments today seek to reduce crime, to raise families above the poverty line, to provide adequate housing for all who need it, to create jobs, to ensure macroeconomic stability and a competitive environment for business, to provide good health care. But what can governments do for well-being? This was the subject of the next speaker, Professor Ed Diener.

WELL-BEING CREATES VIBRANT AND ATTRACTIVE CITIES

Professor Diener spoke on the subject of well-being, and why governments should pay attention to the well-being of their people.

What is Happiness?

What do we mean by “happiness”? Professor Diener started with what happiness was *not*. Happiness is not smiling and laughing all the time. It is not a perpetual state of ecstasy or euphoria.

There are many definitions of happiness, or more accurately of subjective well-being. Broadly, individuals have a high level of subjective well-being when they think and feel that their lives are going well. This includes feeling positive emotions, such as calmness, contentment, enjoyment, gratitude and love. It includes cognitive judgements that their life is worthwhile and all the ways in which individuals evaluate their life in positive ways. It does not mean that they are never sad or worried or angry, but that they do not experience *chronic* levels of unhappiness or stress or anxiety or other negative emotions.

Why Should We Look Beyond the Individual?

The science of happiness tends to focus on individual sources of happiness, such as an individual’s character and attitude to life, and the choices that he or she makes. While this is important, it is not the whole story. Global surveys of well-being like the Gallup World Poll have revealed large differences between levels of subjective well-being in different countries, larger than we would expect if happiness depended only on the individual. Professor Diener’s thesis is that the conditions for happiness go beyond the individual to the community they live in. Conditions in an urban environment or organisations can influence individual happiness.

The Gallup World Poll includes a set of questions of life satisfaction. Respondents are asked to put their lives on a ladder from zero to ten, where zero represents the worst possible life they can imagine for themselves and ten the best possible life. The higher the rung on which they place themselves, the more satisfied they are with their lives.

It turns out that one of the happiest countries in the world is Denmark. Most of the Danish respondents put their life satisfaction at eight on the ladder. Denmark has all the fundamentals which characterise other happy countries, namely economic prosperity, low corruption, low conflict, good health outcomes and high social capital. One of the unhappiest countries, on the other hand, is Togo. Most of the respondents from Togo placed

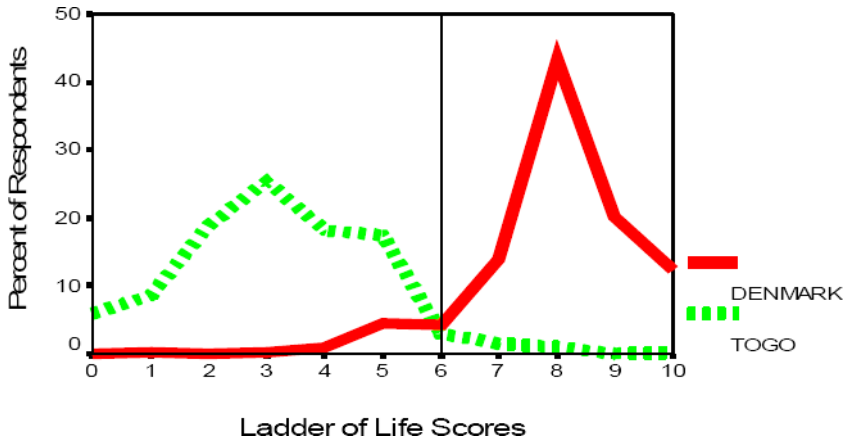


Fig. 2 Well-being scores for Denmark and Togo

Source: Professor Ed Diener's presentation at the World Cities Summit

themselves on the second to fourth rung of the life satisfaction ladder. Togo is one of the poorest countries in the world, and has been driven by political tension and violence over the last few years. Please refer to Figure 2 for well-being scores for Denmark and Togo.

Professor Diener clarified that surveys of well-being with contrary findings, such as the result that the happiest countries in the world were the poorest and most messed-up countries, tended to have methodological flaws and were not reliable. Studies with robust data generally found a positive correlation between GDP and life satisfaction.

We can find similar characteristics in happy cities. Professor Diener compared Detroit, a city on the decline, to Myrtle Beach, South Carolina. Happy cities like Myrtle Beach tend to be characterised by safety, job opportunities, short commuting times, good schools and a high degree of multicultural integration.

The same ideas hold for companies too — happy companies are more productive. Take, for example, a company in which only 40 per cent of the workers are engaged and satisfied with their work, and 60 per cent were disengaged. It is still possible to improve productivity, but the management would have to spend time and resources watching their workers, offering incentives, and punishing laziness and shoddy work. Even the 40 per cent who enjoyed their jobs and wanted to do well would probably be affected

by the 60 per cent who did not. Conversely, a company in which 80 per cent of the workers are engaged is likely to be more productive and profitable.

Is Happiness Desirable?

Gustave Flaubert said, “To be stupid, selfish and have good health are three requirements for happiness, though if stupidity is lacking, all is lost.” Even if we accept that happiness depends not just on the individual’s emotions and attitude towards life but also on the society he lives in, does it follow that happiness is desirable?

Professor Diener begged to differ. First, happiness is desired by individuals. According to data from the Gallup World Poll, happiness is an important goal for young people the world over, after good health and so forth. Second, happiness is also desirable for organisations and communities. Research has found that happier people are healthier and live longer, are better workers and colleagues, and are better citizens and community members. We will take each of these points in turn.

Happy people tend to live longer. One study in the United States found that pleasant emotions expressed at age 22 in women who entered a Catholic convent predicted longevity after age 75 — nuns with high levels of pleasant emotions as young women lived on average for nine years longer than nuns with low levels of pleasant emotions. Another study, done on psychologists, also found a connection between well-being and longevity. The happy psychologists in this study lived five years longer than the unhappy psychologists.

It seems odd that happiness would have an effect on longevity, until we think about the connection between happiness and health. Happy people tend to have better health. They have a stronger immune system, because stress weakens the immune system and renders people more vulnerable to infections. They have a stronger cardiac system; negative emotions like anger can increase the likelihood of a heart attack. People who have had heart attacks are less likely to have another heart attack if they were happy after the first attack than if they were depressed. Happy people also tend to have better health behaviour — for example, they are less likely to smoke, less likely to become alcoholic, more likely to do things like wearing seatbelts.

Well-being has an impact on behaviour in the work place as well. Happy people are more likely to be good organisational citizens — they are more likely to be willing to help their colleagues even when it lies outside their job scope. They are less likely to steal from the work place, more likely to promote their company, and less likely to take unnecessary sick days. A few years ago, Professor Diener and other researchers studied the link between cheerfulness and future income by measuring the level of cheerfulness of college students in their first year of college against their income nineteen years later, when the students were in their late thirties and now part of the work force. The study found that higher cheerfulness in the first year of college correlated with higher income in their late thirties, even after controlling for factors like the students' majors and their parents' income.

Happy people are also better citizens in general. They tend to be more cooperative, more willing to trust other people, more pro-peace and less aggressive, and more willing to volunteer to help members of their community and stick with volunteering once they do volunteer. Research has found that happy people have better social relationships — men and women with more friends, for example, have lower levels of distress than those with fewer friends. One study of older people found that their participation in community service and other social activities was associated with greater life satisfaction, after statistically controlling for social support, individual personality differences, health and their levels of life satisfaction prior to the study.

In other words, happiness is good for the individual *and* for the company, city or country — not just in terms of attracting talented people to the community or brain gain, as Mr Clifton told us, but also because happiness is related to good health, good work behaviour and good citizenship. Table 1, taken from one of Professor Diener's academic papers, offers a summary of some likely advantages accruing to individuals with high well-being.

What Produces Happiness?

If happiness is a desirable outcome, then what sort of city can people be happy in? What conditions should cities have in order to be conducive to happiness?

Table 1 Likely advantages accruing to individuals with high well-being

Domain	Advantages
Society	Well-being of the populace might facilitate democratic governance.
Income	Happy people later earn higher incomes than unhappy people.
Work	Satisfied and happy workers are better organisational citizens than unhappy workers. Work units with high satisfaction have more satisfied customers than units with low satisfaction. Satisfaction of work units may correlate with productivity and profitability.
Physical Health	High well-being may correlate with longevity. Individuals low in well-being have compromised immune systems and are more likely to have certain diseases compared with individuals high in well-being.
Mental Disorders	The happiest individuals score low in psychopathology.
Social relationships	High well-being is associated with increased probability of marrying and staying happily married. It is also associated with increased numbers of friends and social support.

Source: Diener, E. and Seligman, M.E.P. (2004). Beyond money: toward an economy of well-being. *Psychological Science in the Public Interest*, 5(1).

The Gallup World Poll contains a set of questions on positive emotions. Income does predict positive emotions, but only up to a certain level of income. Beyond that, it has at most a modest effect on happiness. However, the following factors were strong predictors of positive emotions:

- I learn new things every day.
- I have control and autonomy over how I use my day.
- I am able to use my abilities and my talent every day in the work I do.

That is to say, after their basic, material needs have been met, people look for conditions that would allow them to fulfil less tangible, post-material desires and give them positive experiences: happiness, self-development, and challenging and interesting work.

Professor Diener shared an anecdotal example that illustrated what potential immigrants looked for in their host country. Four of his PhD students and two other colleagues from the University of Illinois in Urbana-Champaign were moving to Singapore this year to work. Only one of the

six was Singaporean. When asked what attracted them to Singapore, they told him that they were drawn by the intellectual opportunities here, our multicultural diversity and harmony, and good food. No one spoke about income or material needs (other than good food!).

Through his research, Professor Diener found that cities with high average levels of happiness tend to share certain characteristics. First, as discussed earlier, basic conditions have to be in place and material needs have to be met, i.e. the city has to have low corruption, safety and jobs. Once these conditions are well established, post-material factors become more important in predicting life satisfaction. For example, research has found that air pollution tends to decrease life satisfaction. In Germany, life satisfaction increased after measures were taken to lower air pollution levels. Another factor is commuting time; it was found that in the United States, people who had to commute an hour each way to work and back had lower levels of life satisfaction than those with shorter commuting times. A good deal of research has been done on the link between green space and happiness: green space has been found to help people relax, to reduce stress levels, and to help people concentrate better. Low noise is important, because people generally have higher life satisfaction when they can concentrate and work in peace. People also tend to look for cities with good jobs and a stimulating intellectual climate. Last but not least is social capital; where social capital is high, i.e. people trust each other, can work with each other despite coming from different cultures, are willing to volunteer and help their fellow members of their community, and are engaged in and care for the community, life satisfaction tends to be higher. Professor Diener ended with a challenge for governments — to produce cities that create happy, engaged citizens.

REFLECTIONS AND COMMENTS

We have just been taken through two very enlightening lectures about the growth path of a society and how happiness and jobs play very important parts in it. Let us revisit some of the key points.

The Gallup behavioural economic model offers societies a map of this journey, from basic, material needs (including jobs) through to post-material desires like well-being and engaged citizenship. We can see part of the

Singapore story through this model — we have probably moved up to the circle labelled *health*, but we have some way to go in the areas of *well-being*, *engaged citizenship* and *brain gain*.

From Professor Diener, we learnt that the conditions for happiness go beyond the individual. Happy people function better. They are in better health and take better care of themselves; they are more productive and effective at work; they are more engaged in their community and more willing to help others. (They also earn more money and they live longer.) We can bring the Gallup model down to the level of the individual: once basic needs are met, what predicts life satisfaction is not income but post-material conditions: low pollution, low noise, short commuting times, a stimulating intellectual environment, green spaces, high social capital. What predicts positive emotions is our ability to learn new things every day, to be in control of our time, to be able to bring our abilities and our talents to bear on our work. Money clearly is not everything.

The conditions described by Professor Diener fit what we have heard about the Gallup behavioural economic model that cities should start by meeting the basic needs of their citizens and then move up the value chain to fulfil post-material needs like well-being and community engagement. Well-being is important because it is not just an individual good, but also a social good: happy citizens tend to be good citizens, good workers; they tend to be creative, energetic, engaged; they help attract others to come to live and work in their community.

Mr Clifton, on the other hand, showed us how a small number of people could make a difference to a country. The future of a country can be read not in the natural resources or physical capital that it controls, but in its brain gain — its ability to attract and retain the next generation of innovators and entrepreneurs. What drives global migration patterns turns out to be universal across all countries: a good job and a high level of happiness. The next wave of talented workers will go where they can exercise their talents and enjoy a high level of well-being.

Let me attempt now to relate the theoretical framework by both Mr Clifton and Professor Diener to the reality of Singapore, and for that matter, the majority of cities around the world.

There are three issues. The first is the relation of the key tenets of the two speakers to the physical environment of a city. The second is the importance

of creativity to Singapore. The third and last is the relation of the theoretical framework with the vibrancy of our own as well as other cities.

The Physical Environment

If you consider their main points carefully, you will find that many of the sources of well-being described are embedded in a good physical environment. After all, a city, at its most basic, is the spatial organisation of people and places. Good governance is required to create the physical environment which provides the foundation for a well-functioning city.

In Mr Clifton's economic model, food and shelter, work, economics and health all need to reside in the physical environment. Similarly, Professor Diener described for us the characteristics of cities, such as high personal safety, low corruption, low conflict, low air pollution, low noise, short commuting times, green spaces, good jobs, a stimulating intellectual climate, and high social capital. These urban attributes also need to find expression through the physical environment.

To underscore the point — for shelter, we need attractive residential estates which offer a high quality of living; for work and economics, centres for business and economic activities, complemented by a good transportation system, that can draw workers and customers without creating negative amenities like congestion; for health, a clean and green environment; with public parks and spaces, and recreational and community places. None of these conditions would be possible without a good physical environment.

In Singapore, we have done well in shaping our physical environment. We have a high level of home ownership, clean air, blue skies, a green environment, flowing traffic, well-functioning infrastructure. Singapore does well in the *health* category. The 2008 Mercer Quality of Living survey, for example, puts us at 32nd place worldwide and top within Asia. The question is, what comes next? How do we move up the Gallup model to reach *brain gain*? How do we take up Professor Diener's challenge of creating a city that can nurture happier and engaged citizens?

A Creative Society for Singapore

If the first part of the answer to Professor Diener's challenge is a good physical environment, then the second part has to be creativity.

In his book, *The Rise of the Creative Class*, Richard Florida argued that the creative economy requires creativity across different dimensions: “technological creativity, which is innovation, new products and ideas and technologies; economic creativity, which includes entrepreneurship turning those things into new businesses and new industries; and cultural and artistic creativity, the ability to invent new ways of thinking about things, new art forms, new designs, new photos, new concepts. Those three things have to come together to spur economic growth.”¹ In Singapore, we are often reminded of the need for the first two kinds of creativity, to spur innovation and entrepreneurship. Happily, we have begun to pay greater attention to cultural and artistic creativity. For example, we have seen the Esplanade, the Singapore Tyler Print Institute and the Arts House at the Old Parliament open their doors. In January 2008, the School of the Arts took in its first batch of students. This is the beginning of an essential and exciting journey for us.

Culture and the arts are important not just for their own sake, but for the possibilities they offer us. We cannot run away from our first and foremost constraint: Singapore is small. It is small in terms of land size and natural resources. Small land size limits the diversity of experience and exposure. Singapore is also young, with limited claim to great historical stories. If the identity of a nation can be profiled by joining the dots of legacies left behind by our historical heroes and cultural giants, then our national profile requires much work. But, on the other hand, we must believe in our own potential greatness.

We need time to build up a sense of identity and community that can anchor Singaporeans to our shores and attract other talents to live and work here. While we continue to improve on what we have already accomplished, we should also find ways to overcome our constraints and shortcomings. Culture and the arts are the key to make this next leap forward. Just as travel enlarges our physical world, art expands our mental space. The study of the arts nurtures passion, instils discipline, and, most importantly, fosters imagination. As Sir Ken Robinson, a retired professor of arts education, puts it, “everything achieved in human endeavour begins with ‘what if?’”² Without the imagination there can be no invention or

¹Interview with Richard Florida on salon.com — Dreher, C (2002). Be creative later or die. Salon.com, 6 June Accessed 26 September 2006.

²Speech delivered at the World Summit on Arts and Culture, which was held in Newcastle, Gateshead, England, from 14 to 18 June 2006.

creativity of any kind. Culture and the arts are important not so much to nurture the next generation of poets and painters, but the next generation of creative, innovative, entrepreneurial workers.

To look at the matter in another way — the 2008 Global Competitiveness Report by the World Economic Forum outlined three stages of development. The first stage is driven by factors of production, the second stage by efficiency, and the third stage by innovation. In my view, Singapore's economic development can be seen in this light: the 1960s and 1970s were an era of domestic consolidation, while the 1980s and arguably the 1990s were about improving quality and moving up the value chain to higher value-added products, as shown in Figure 3. To succeed in the next stage of development and to compete in the top league of nations will require innovation and creativity. To reach this new stage, we will need to push the boundaries of our mental and psychological space and to intensify the breadth and depth of our engagement in culture and the arts. These efforts will spur further development of well-being and engaged citizenship as well as groom a broader base of higher calibre citizens and workers to help Singapore move more decisively from a society of good learners to be one of innovators. (It will also produce better artists, performers, writers and designers — virtue brings its own reward.)

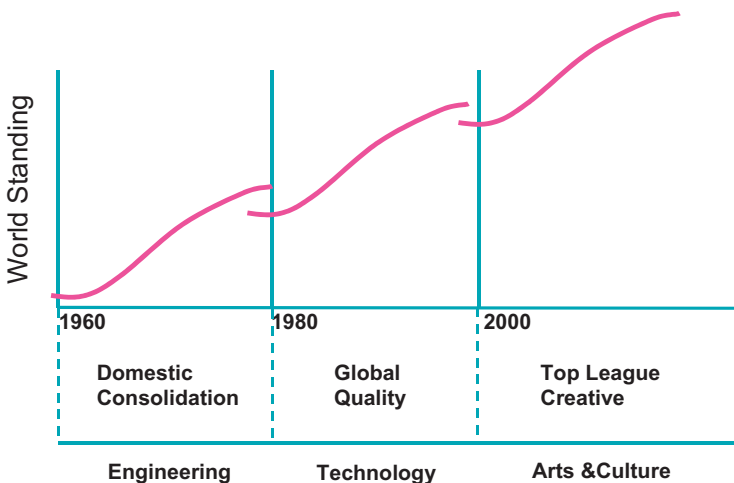


Fig. 3 Singapore's development

What Makes a Vibrant City?

Finally, referring to the theme of this dialogue session, Well-being Creates Vibrant Cities, how do we see the connection?

Vibrancy can be understood in several ways — not just the narrow and superficial perception of entertainment or “buzz”, but in terms of physical, economic and mental vibrancy.

A good physical environment provides the foundation for a well-ordered city that can cater to the material and post-material needs of its citizens — the necessary conditions, in other words, for physical and economic vibrancy. This could aid us most of the way to “well-being” in the Gallup behavioural economic model. To ascend the heights of engaged citizenship and brain gain, we also need the creative ballast that culture and arts can provide. Economic and mental vibrancy will depend, in Richard Florida’s words, not just on technological innovation and economic entrepreneurship, but also on artistic and cultural creativity.

The challenge for us now is to overcome our constraints and expand the mental and cultural space that we have, so that everyone who wishes to can find something that keeps them engaged and energetic in their work and their community, and in that way create a vibrant city. If we interpret vibrancy in these terms, Singapore should be on track towards brain gain and higher GDP, as well as greater happiness.

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