

From Economic Productivity to Productive Well-being

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Productivity - a driver of economic growth -- does not imply societal well-being, nor environmental sustainability. Various authors contributed frameworks to incorporate environmental issues in the computation of productivity, or studied the role of well-being for productivity. However, studies proposing ways to account for both well-being and sustainability in productivity measurement are scarce. We check whether and to what extent it is possible to include subjective well-being and sustainability measures among the inputs and/or outputs of a traditional productivity framework. Specifically, we adopt a data-driven approach to test whether subjective well-being and adjusted net savings meaningfully contribute to computing a productivity-like indicator. We apply Data Envelopment Analysis to European data from 2005 to 2018. We find that including subjective well-being among the inputs and the outputs of production contributes to a measure of economic performance that accounts for quality of growth.