• Decline in subjective well-being increases peaceful uprisings (Data: 119 countries, 2007-2014)

• Dichotomy - Grievances (perceptions) vs objective circumstances

• Objective measures capture conditions for a good life. Grievances (perceptions) – whether conditions have translated into a good life

• Tunneling effect – objective measures raise expectations, when unmet, can lead to frustration and resentment

• Additional: Lack of trust and data transparency. Widen gap between perceptions and reality. Lack of trust → objective reality unclear
Measurement

Cantril ladder scale – Best possible life (10) versus the worst possible life (0)

“Better to be Socrates dissatisfied than a fool satisfied”
– John Stuart Mill

• Thresholds (suffering – 4 or less)
• Expectations 5 years from now

Subjective Welfare consistency across time:

• Tradeoffs over time (e.g. medical students)
• The idea of the best possible life changes across time: Social media
• Mobile phones per inhabitants (old phones vs smart phones)
• Mobile phone signal coverage/social media penetration (Manacorda and Tesei 2020 – Econometrica; Enikolopov et al. 2020 - Econometrica)
• Contagious protest (learning across regions) catalyzed by social media (Arezki et al., 2020)
Policy Implications

• Do peaceful protests matter? The example of Arab Spring – what came out of it?

• Good policy recommendation: Track subjective welfare. But if subjective welfare is declining, what should be done?
  • Overall measure – difficult to disentangle sources of subjective welfare
  • Breakdown of perceptions: Food and shelter index, Community basics index

• Political vs. economic perceptions (Abi-Nassif et al., 2020)

Technical: Instruments

• Unclear how the instrument (deaths due to infectious and parasitic diseases) does not violate exclusion restriction (poverty measurement)

• Weak instruments - be careful about GMM (Bazzi and Clemens 2013 – AEJ macro)