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Subjective Well-being, Happiness, and Fairness of Marketing Systems in Brazil: Some Further Thoughts

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Introduction

Farias and Leite (2022) aim to study the influence of marketing system on subjective well-being in Brazil. Although subjective well-being cannot be simply translated as happiness, in the sense stated in the opening sentences by these authors, it is reasonable enough to draw some parallels between the concepts and their determinants. We can start by a simple (although tricky) observation: buying of things is vital for a comfortable life. Surely the purchasing patterns and levels depend on the level of consumerism. Anyhow, it is important to note the dual, interrelated roles of consumption: consumption operates as the process to acquire items for the best life possible, as well as acts as the engine of the (proto)capitalist system prevalent in most countries (including nominally non-capitalist ones like China and Vietnam).

Findings from a Related Study

Following these opening observations, the writing of this commentary made us – we are also Brazilians, like the authors of this study – reflect on another data set that we collected on this subject. In 2019, the same year referred to in the Farias and Leite (2022) paper, we also conducted a project in our research group at Pontifical Catholic University of Rio Grande do Sul entitled “Happiness and Consumption” (PUCRS 2019). Using an online questionnaire, we had a final sample of 256 cases of south Brazilian consumers. Starting the analysis by the general satisfaction with life index (SWLS, see Diener and Biswas-Diener, 2002), we found the average happiness of the respondent (on a 5-point Likert Scale) was 4.19, or 79.8% with a standard deviation of 0.9. Besides this more general evaluation, we decided to understand the relation between happiness and spending on categories such as Food & Beverage, Housing, Transportation, Entertainment, Clothing, Cleaning & Beauty, Health, Education, Gifts & Charity as well as Investments. We asked people how much they spent on each category (1 – spend nothing to 5 – spend a lot) as well as how happy

they were on spending money in such a category (1 – very unhappy to 5 – very happy).

Analyzing what is consumed and its influence on happiness, it is possible to point out that expenses with Household Appliances, Food/Non-Alcoholic Beverages at Home, Consumption of Alcoholic Beverages negatively affect happiness. On the other hand, Dental Expenses, Personal Hygiene Products, Clothes, Books, Bars, Restaurants and Holidays positively affect happiness in each of these consumption categories. If we analyze the influence of happiness with spending on general happiness, happiness with spending on Housing, Clothing, Leisure positively affects overall happiness, with happiness spent on Leisure being the biggest influencer.

In the intersections with income, age, our study found that there is a linear relationship (or one that approximates linearity), albeit subtle, between family income and general happiness. Regression analysis found a positive linear trend. That is, the higher the income, the greater the happiness up to a certain cutoff point. The relationship between age and happiness with life was quite evident: the older the respondents, the more satisfied with life they were.

Macro-level Observations

Going from our microdata research to macrolevel data and analysis, it is well established in the literature that economic growth is not enough to ensure quality of life of people. It is also known that a struggling economy and stagnant or depressed incomes compromise quite a bit the society's well-being. So, conditions under which the market system functions seem to be an important factor in terms of consumers achieving higher levels of individual well-being.

The last few years in Brazil, especially the COVID-19 pandemic period, for example, have proven to be challenging in terms of maintaining the well-being levels. It would be interesting to point out three topics. First, Brazil has been performing poorly in terms of economic growth for the past few years. And this translates into fewer jobs, lower income, and less financial stability for many people. If the economy dynamics is compromised, the market system also gets affected by the shortage of consumption and, as spiral consequence, is not able to contribute to development.

A second topic is concerning the high level of inequality in the country. Take into consideration that the official minimum salary covers just a portion of what it should – according to DIEESE statistics, the national minimum salary should be five times higher to fulfill all the basic needs for a family. Knowing that approximately 70% of formal employees earn no more than two minimum salaries, it is possible to capture a feeling about how unequal the income distribution is. In terms of consumption, this means that the society must count on a market system – that ideally should be designed to attend to most needs of the whole population – in reality operates with a considerable shortage of resources to buy.

The third point we would like to raise is about the prices. Brazil has a history of hyperinflation. At the beginning of the 1990s, it was not unusual to record around 80% inflation in a single month. So, the relative price system was quite a mess and the purchase power of money melted literally overnight. Since the second half of the 1990s it was resolved via a massive economic plan. This helped the market system enormously, since it enabled the planning of purchases (installments in retail, for instance) and a better credit system. Since 2019, however, Brazil is again facing an inflationary process. While this is not even close to the hyperinflation of 25 years ago, but nevertheless worrisome enough to be placed on the radar of policymakers.

In this sense, the big question is this: what makes Brazil a happy country inspite of the many reasons for unhappiness? The World Happiness Report 2022 points out that Brazil holds the 38th position in the global ranking. At a first glance, such a position maybe intriguing if you consider that the GDP per capita is just about rank 80, the poverty rates are considerably high, and the country presents itself as a leader in income inequality among the democratic nations. Nevertheless, a combination of the different dimensions of the index, as generosity and perception of corruption, puts Brazil as one to the 30% happiest countries in the world.

Taking into consideration our pre-COVID-19 research data, and the macroeconomic Brazilian conditions discussed, some thoughts can be offered as to how the pandemic affected subjective well-being in its three dimensions. If life experiences and circumstances affect subjective well-being, how did the extreme pandemic circumstances affect us all? Much has been said, rightly, about the millions who lost income (not talking about life and mental health) during the (still ongoing) pandemic period. But what

about the consumer behavior of the ones that kept, or even raised, their income?

Recent publications in national magazines and newspapers in Brazil report the increase of luxury goods during pandemic. The wealthier consumers, in order to fulfill their possession needs and status needs, have been transferring their buying power toward cars and furniture, as traveling was no longer an option; as well as toward expensive dining and the clothing needed for such events. In this sense, luxury cars, for example – names such as Bentley, Lamborghini, Porsche, Ferrari, etc. – had their best historical year of sales in Brazil in 2021 (Brito, 2022). The same phenomena were observed for luxury beach housing as many people moved there during the working-from-home phases.

On the other hand, many people also learned to lead a more minimalist way of life. People saw the huge amount of unused or unneeded clothing and objects they had and opted to change their consumption and behavior patterns (see Cambefort 2020; Chikhi 2020; Takemura 2020 – for pandemic consumption patterns in other parts of the world). After 2021, Brazilians are returning back to “normal life”; albeit, a more “informal” way of living, dressing, and interacting is now observable in many workplaces in Brazil.

Closing Observations

As a final thought, it is interesting to note that the consumption of goods that make poor respondents feel psychologically closer to the medium income class and access luxury brands, even fakes, has a cultural reason in Brazil (see Yurdakul, Atik and Dholakia (2017) for similar findings from Turkey). But it also drives to a more problematic issue that relates the country’s poor level of financial and mathematical education and the high interest rates charged by banks and credit cards, even in low inflation periods. In this sense, poor people buy durables such as the latest model iPhone, or fancy tennis shoes, and pay sometimes double the price because of interest rates. They prefer the immediacy of status-signaling consumption: instead of saving money to buy the same good at a reasonable and even discounted price, when they have accumulated the needed amount, they go on credit and splurge.

So, the economic dimension is undeniably connected to healthy market systems. In countries like Brazil, which presents considerably high levels of self-stated subjective well-being, it is important to understand these

complex connections. It is only with more nuanced understanding it is possible to build a strong economy and to design better public policies that can enable a virtuous consumption circle.

These are of course our thoughts, toward –we hope– the closing phase of the COVID-19 pandemic. It is our hope that the shocks and learning from the pandemic will pave the way for a new period in life and history of high subjective well-being for all –in Brazil and worldwide.

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