

Peclaiming Happiness from Politics

2011/01 30<sub>1</sub>11<sub>1</sub>2011







# "O, how bitter a thing it is to look into happiness through another man's eyes." (William Shakespeare)

appiness is back, both in the sciences and in politics. While the economy is suffering from a systemic crisis, the time is ripe for an explicit happiness agenda that seeks to steer society consciously towards personal wellbeing. This essay – the first discussion paper in the series "Back to Basics" – embraces happiness as a relevant policy concern but refutes fundamentally the terms and the purpose of the current happiness revival. It ends with a call to save happiness from politics, and instead promote it through careful facilitation.



Marc De Vos<sup>(1)</sup> Director Itinera Institute

Happiness has been one of man's desires throughout the ages, and philosophers have grappled with the idea of happiness since the dawn of civilization. From the 18th century onwards, happiness has been broadly equated with pleasure and well-being, a subjectivist and hedonistic understanding that departs from the more aus-

tere and transcendent ideals of earlier times.(2) The Enlightenment also

elevated the promotion of happiness to the level of public policy. A famous passage in the American Declaration of Independence classifies "the pursuit of happiness" as an unalienable human right. The revolutionary French Constitution of 1793 declared general happiness to be the goal of society. Utilitarian thinkers of the late 18th and early 19th century defined "the greatest happiness for the greatest number" as the overall yardstick for public policy choice.(3)

It should come as a surprise, then, that happiness did not figure prominently in mankind's most recent and most predominant societal experiment to promote well-being: the welfare state. The traditional welfare state is primarily an engine for insurance against life's tribulations. Its underlying drive is material redistribution in search of fair-

The Itinera "Discussion Paper"series offers a forum to authors to
write a discussion text in their own
name. The goal is to stimulate free
and open debate. The contents
commits the author only and cannot
be ascribed to the Itinera Institute.
Take part in the discussion on the
Itinera blog:
www.itinerainstitute.org

(1)I thank Ivan Van de Cloot, Jean Hindriks, Brieuc Vandamme, and Laurent Hanseeuw for their comments and suggestions. Opinions and errors are mine alone.



ness and justice. Its programme is essentially protective in nature and paternalistic in purpose, aiming to provide material security for entire populations. Personal well-being was part of the equation, but only as an expected natural by-product of the essential welfare goals of munificent income security and/or material support. Much of the welfare state was and remains fundamentally materialistic, not hedonistic.

This is changing. The pursuit of happiness is back in vogue. Across academe – in economics, in political science, in psychology, and in epidemiology – the exploration of happiness or generic "subjective well-being" is positively booming. Happiness economics is a genuine hype in the post-crisis economic profession. Reams of new research, a string of recent books, and a hyperactive conference circuit have turned happiness into arguably the hottest topic of contemporary social science.

There is much to be said for this rediscovery of happiness. It can add a quality dimension to our prominent quantitative measures of human development, such as economic growth, income evolution, employment figures, poverty rates, or education scores. In the field of economics, it is part of a useful evolution to broaden the understanding of human action and nuance the stereotype of human beings as self-interested, rational, utility-maximizing agents. Personal happiness is unquestionably important in life and therefore relevant as a topic of public concern. Improving our understanding of happiness will improve our understanding of societies. Adding happiness to the array of perspectives on policy issues, can insert a human angle and force us to ponder effects that would otherwise remain ignored.



There is much to be said for the rediscovery of happiness. But can and should the pursuit of happiness become politics?



But can and should the actual promotion of happiness be a purpose or subject of policymaking as such? Should the pursuit of happiness become politics? Some of the towering figures of the happiness revival advocate nothing less than a radical happiness agenda. We are told that "We need a revolution in government. Happiness should become the goal of policy, and the progress of national happiness should be measured and analysed."(4) Economics should equally be revolutionized and become happynomics: "it is – or should be – about personal happiness".(5) The first comprehensive monograph on happiness politics is now available for use.(6) Politicians are

paying attention and have entered the happiness game. Official indexes and programmes to define and measure happiness or well-being, pioneered by several international governmental organisations, are trickling down to the national level. Several major countries, including China, Great-Britain, Germany, France, and Australia, have elevated national well-being or happiness to the status of official governmental policy.

This paper challenges the burgeoning happiness agenda. I first tackle the assumption, entertained by the more extreme happiness revivalists, that happiness is a desirable alternative for, or a needed correction of, economic growth and its traditional measure of Gross Domestic Product or GDP (Section I). I then contest the



three core arguments that support the promotion of happiness as a political agenda: that more economic growth is not the way to promote more happiness (Section II), that "happiness" or "subjective well-being" can be sufficiently defined and measured as to make it a reliable policy instrument (Section III), and that its promotion is morally desirable (Section IV). Finally, I warn against the inevitable politicization of happiness as policy, and expose it as an exercise in hedonic welfarism (Section V). I conclude by repositioning the relevance of happiness, arguing for a policy of facilitation rather than determination (Section VI).



# I. Beyond GDP, and back

The king of Bhutan, ruler of a small Buddhist country wedged between India and China, committed its subjects to apath of "Gross National Happiness" in the 1970s. Since then, successive development plans have sought to propel this tiny Asian nation from stifling backwardness to unadulterated happiness under the aegis of "Four Pillars": better governance, stable socioeconomic development, environmental protection, and the preservation of culture. (7)

Where an authoritarian king once led, Western politicians are now increasingly following. The 27 nations that form the European Union officially plan to move "beyond GDP", seeking to complement economic output with environmental and social indicators, including quality of life and well-being. (8) This pan-European agenda comes in the slipstream of a global United Nations initiative to benchmark overall human development.(9) The Organization for Economic Cooperation and Development (OECD) – the major official policy body of the developed world – for its part has launched a "Better Life Initiative", with the purpose of comparing well-being across its 34 member-countries.(10)

At the national level, the pursuit of happiness is increasingly entering the political mainstream. At the request of the French president, a high-profile crop of economists has proposed to measure economic progress by more than the usual growth figure, adding parameters for sustainability, happiness, the quality of life,

66

Much of the new happiness cult is the old disenchantment with capitalism as it passes through one of its historic transformations. We have seen it before.

and the environment.(11) In the United Kingdom, Prime Minister Cameron and his Conservative Party want to devise an index of national well-being, in an effort to care about "joy in people's hearts" instead of "money in people's pockets".(12) In Germany, both the federal parliament and Chancellor Merkel are following France's lead to reassess GDP and embrace national happiness über alles.

Much of the new happiness cult is the old disenchantment with capitalism as it passes through one of its historic transformations. The Subprime Crisis, the subsequent Great Recession and the impending

Age of Austerity are the fundamental drivers behind the current political rediscovery of happiness. Mass unemployment, forced austerity, anaemic growth, demographic decline, and a latent frustration with Wall Street capitalism, are collectively fostering a climate where questioning the mantra of GDP becomes both legitimate and attractive. Legitimate for those who seek to supplant it with their alternative agenda, attractive for politicians and interest groups who can no longer safely rely on traditional growth-fuelled redistribution. From an academic perspective, happiness is an idea whose time has come, especially in the field of economics. Economics as a profession is going through a period of soul searching and experimentation, provoked by its collective failure to predict and prevent the US subprime debacle. The hour of the behavioural economist, who puts irrationality and human fallibility at the centre of his analytic universe, has struck. With it has come an increasing openness for interventionist policies, of which the economics of happiness is a prime example.



We have seen it before. The Depression of the 1930s not only saw the heights of Keynesian economic experimentation, but also the birth of a de-growth movement whose intellectual scions are godfathers to today's anti-growth crusaders.(13) The stagnation of the 1970s brought us the Club of Rome and its influential "The Limits to Growth", predicting a doomsday scenario for the planet that captured the imagination but patently failed to materialize. Economists in the 1970s famously pleaded for "small is beautiful"(14), lamented the "Joyless Economy" that left wealthy people unhappy(15), or questioned a blind obeisance to material progress, pondering instead the possibility "of a life style which has as its goal maximum freedom and happiness for the individual, not a maximum Gross National Product".(16)

There is indeed nothing new under the sun. Our current infatuation with happiness clearly echoes that of earlier times, but its ambitions are bigger and its prospects brighter. Governments have now formally jumped on the bandwagon, an international movement is afoot, academia is mobilized, and the general public is broadly concerned with the future of the economy and the planet. The time may now be ripe for some sort of paradigm shift in our understanding of progress and in our definition of the policies needed to pursue it. There is no new consensus as yet. The mildest trend – the only one to be officially embraced by governments as yet – operates under the assumption that GDP alone is not a reliable measure of progress, but it does not dump GDP altogether. A stronger version abandons GDP-growth because it supposedly fails to improve well-being overall and happiness in particular. More growth, it is argued, does not produce more well-being or happiness beyond a certain point that has already been reached by nearly all developed countries. With growth thus becoming a zero-sum game, the next step is to abandon it or at least to focus instead on increasing well-being by other means, particularly through more redistribution.(17) Finally, the most extreme version exhumes a veritable growth phobia, identifying economic growth as the mother of evils social and environmental in a finite world perilously close to its limits, with the logical conclusion that one should aim to achieve "prosperity without growth".(18)

My angle is happiness. I do not explore the merits of today's growth relativism in all its variations. Its common strand of GDP-aversion, however, is relevant to our inquiry. We need to reconnect with the relevance of GDP per se and with the premises underpinning its role as a yardstick for progress, lest we risk throwing away the growth-baby with the bath water. "Gross Domestic Product" or GDP is the market value of all final goods and services produced by an economy in a given year. For decades the annual growth rate of GDP has been the key instrument to measure economic development within and among countries. GDP is based on a clear methodology that, however dependent on nationally produced statistics that are not always equally reliable, allows for straightforward comparisons over time and between countries. It is thus a useful, reliable and transparent instrument to gauge the evolution of macro-economic activity in a given setting. In the public parlance and perception, GDP is easily associated with overall economic progress. GDP-figures indeed dominate official economic reports around the world and frequently capture the media's attention, suggesting an exclusive focus on material progress and feeding the impression that they serve as a proxy for societal development in general.

However, no serious economist has ever failed to recognize the intrinsic limitations of "GDP" as a statistical measure of progress. GDP and its forerunner, Gross National Product (GNP), have been downplayed as measures of total economic welfare from the day of their invention.(19) GDP has no consideration for the origin or impact of the output it measures. Deficit spending countries can boost their GDP-output





No serious economist has ever failed to recognize the intrinsic limitations of "GDP" as a statistical measure of progress.



artificially by going ever deeper into the red, even while they burry themselves under mountains of public debt that may eventually trigger total collapse. Similarly, serial private consumption by a shopaholic population can lift a country's GDP while its flipside of private debt remains in the shadows until it too spooks the markets or saps the banks. More generally, GDP reflects changes in annual output while ignoring changes in underlying capital stock or assets such as roads, buildings, machinery, or factories. The 2011 earthquake and tsunami in Japan have destroyed over \$300 billion worth of property and infrastructure, but this huge loss will not influence the

Japanese GDP-figure by a single cent. The bulk of public infrastructure in the developed West is a legacy from the post-war boom years, but its eroding value does not transpire in the annual GDP-parade.

In the same vein, GDP does not reflect the extent to which natural resources, including the availability of skilled human talent through demography and education, are either available or absent. It does not monitor to what extent economic growth implies jobs and to what extent jobs imply more prosperity for all. It does not value economic activities outside the sphere of the market economy. Volunteering, household work and all other forms of unpaid work remain off the GDP-radar, even though they unquestionably represent tremendous economic value and societal importance. Free goods and services are not translated into GDP-figures, whereas they increasingly constitute tangible economic fruits of an internet age that caters for customers while charging third parties.

On the negative side of the ledger, GDP does not integrate the environmental or other costs of market activities when these are not directly integrated into their market price. When the 2010 Deepwater Horizon oil spill polluted the marine environment in the Gulf of Mexico with nearly 5 million barrels of crude oil, not a single drop of oil pollution was deducted from an annual GDP-figure that obviously suffered from the disaster's impact on the Gulf economy and on oil business but that was also significantly boosted by the market value of the massive clean-up efforts. In the words of the late Robert Kennedy: ". . . Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage...It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl . . . Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials . . . it measures everything, in short, except that which makes life worthwhile."(20)

Robert Kennedy got it absolutely right. GDP measures progress that is not the essential progress of mankind. It has endured nonetheless because economic growth, while it is not the end, is the essential means to the end. Growth is the great enabler, both of public policy and of personal choice. With it, anything becomes possible; without it, all is lost - to paraphrase Churchill. In poor countries, economic growth is the precondition for tackling the dismal curses of underdevelopment: malnutrition, infant mortality, illiteracy, diseases, and low life expectancy. Of course, growth alone is never enough.



Its fruits must be adequately used through policy. But without growth, such policies become impossible. In the developed world, our recent period of economic distress should remind us all of how essential growth remains to fund our ever increasing and returning societal needs, from law enforcement to national defence, from infrastructure to education, from healthcare to pensions, and far beyond.

We therefore focus on annual growth of economic output because it offers a measurable and verifiable snapshot of that great enabler of all things essential. We value GDP because we know that any slowdown in its development implies unemployment, poverty and hardship for millions, reduces our society's capacity to address these, and undermines our ability to invest in our future and in our security. A two per cent annual growth rate will double GDP per capita in 35 years, while a one per cent rate requires 70 years to achieve the same. One meagre percentage point makes the difference between seeing overall wealth and the productive

66

We focus on annual growth of economic output because it offers a measurable and verifiable snapshot of that great enabler of all things essential.

capacity of the economy double only once in a lifetime, or more than twice. It is the difference between relative decline and continuous rise in the concert of nations. It is

the difference be tween the opportunity to take human development to ever higher planes of innovation and abundance, or the necessity of stagnation and scarcity. GDP as such may well be a cold calculus of material output, but its evolution largely determines the extent to which individuals and societies are able to address immaterial needs. It is no accident that, for all the fanfare about well-being and "post-GDP", it turns out that most of the desired indicators of subjective well-being are actually adequately mirrored by

the objective parameters of GDP-evolution and the unemployment rate. Whatever its undeniable limitations, GDP remains a reliable gauge, not only of economic development, but also of overall societal well-being. (21)

In our age of skyrocketing public debt, economic growth is also the one variable that can make the difference between a crushing winter of austerity and a gathering spring of new opportunity. Entire generations of Greeks are now condemned to debt slavery simply because their economy lacks the drivers to grow out of its debt hole. The Spanish and Italian youth are mobilizing because their economy produces diplomas but no jobs, while sinking ever further into the red. Across the Mediterranean, a generation of jobless youth launched the Arab Spring for a similar lack of economic opportunity. In the United States, a half percentage reduction in GDP-growth will add over a trillion dollars to the national debt in a single decade, further increasing the debt burden for younger generations.(22) Moreover, a country stuck in debt cannot sufficiently invest in infrastructure, education or innovation, condemning itself to a future of even less economic potential and more debt.

GDP-growth also means much more to overall society than a mere improvement of material living standards of its citizens. Living standards affect the social, political, and ultimately the moral character of a people. Economic growth fosters greater opportunity, tolerance of diversity, social mobility, commitment to fairness, and dedication to democracy. Conversely, these fundamental societal values typically suffer



in times of stagnating or declining living standards. Economic growth cements and strengthens a society and its social fabric, while economic decline erodes and frays it from within. There are therefore powerful moral benefits to economic growth, well beyond the realm of the material or its empowerment of the immaterial.(23) We may obviously question whether economic opportunities are sufficiently available to all, whether the fruits of progress are sufficiently shared throughout society, or whether growth does not jeopardize our environment and natural resources for the future. But these are essentially redistributive or organizational concerns that deal with the nature or the impact of growth. They do not undermine the importance of, and the need for economic growth as the primary force of progress for mankind.

Then there is the environment. Unless we collectively want to return to the Stone Age and its unimaginable hardships, human kind has an inevitable ecological footprint beyond the direct impact of billions of human beings on this planet's resources. But decades of uneven economic progress around the world have shown us that a cleaner environment everywhere comes with increased affluence. Richer countries gradually shift from materialist to post-materialist values, with quality of life and the environment gaining in importance as incomes rise.(24) More wealth then liberates more resources for environmental protection. Richer countries thus have better air quality, better water quality, more forests, and more overall environmental protection.(25) GDP-growth in the developed world is not about locust asset-burning and destructive pollution; it is about innovation and productivity leaps that gradually reduce environmental costs.(26) We are rightly concerned with global warming and with global environmental implications as billions rise to prosperity in Asia. But stopping economic development in its tracks is no solution. Our planet will never see a post-carbon economy without major shifts in technology, energy, infrastructure, and transportation, all of which require massive investment and huge markets which only economic growth can deliver. Moving beyond GDP will never move us beyond carbon. The tremendous innovations needed to green our economy require economic growth and will themselves spur another economic growth cycle.

What is needed, first and foremost, is a massive marshalling of research and development efforts to deliver the technology and to speed up the green revolution. (27) In the meantime, environmental costs of existing economic activity can and should be addressed through regulation and pricing mechanisms. Internalizing environmental costs into the prices of products and services remains the best mechanism to accelerate the transition to a more environmentally friendly economy without undermining or distorting the very economic development needed to get us there. (28) If we value GDP, therefore, it is not because we want to cook the planet, but because we believe that sustainable environmental protection can best be achieved through channelling economic development and applying its proceeds according to the shifting needs of environmental programmes around the world.

GDP has been the dominant statistical measure of economic development since the 1930s. Humanity has not stuck to it because it has been so stupid and blind to ignore its limits or other factors of progress. It has stuck to it because GDP has never been intended as an all-inclusive measure of societal development. It has stuck to it because it has rightly seen GDP as the great facilitator of all things not economic. The maximization of GDP per se, is not and has never been a proper objective of public policy. But we do value GDP per se, as a measurement of the quantifiable economic growth that underpins and enables much of our entire human existence, and particularly those policies that seek to address the myriad of societal concerns at any given time





Economic growth is an acceptable common denominator because it can allow and mean different things to different people and at different times.



in history. We value GDP per se, because it is an objective and aggregate yardstick while other parameters of progress are more political, subjective and/or personal. Economic growth is an acceptable common denominator because it can allow and mean different things to different people and at different times. GDP is not about happiness or the quality of life directly because – as we shall see – these are largely subjective notions that belong more to the realm of personal preference than of public policy.

The coarseness of GDP is therefore more than statistical imperfection. It reflects an implicit understand-

ing of the limits of public policy. What we do not measure, we do not qualify as a static and permanent object of necessary government action. Moving "beyond GDP" is a method to force governments into policy choices with the fruits of GDP-growth. It is an agenda for policy predestination that goes well beyond perfecting prosperity measurement as such. It seeks to redefine economic progress and expand the required scope of government attention accordingly. GDP focuses on economic output and leaves its destination to either public or private decisions. It is the means to an end that leaves the end open to the dynamics of political and personal choice. A reformed measure that integrates various criteria of social or societal progress becomes the end in itself: it chooses, codifies and imposes what can otherwise remain debatable, open and voluntary. When subjective well-being and happiness are to be incorporated into an annual measure of progress, we commit ourselves to defining and prescribing a political agenda for what once remained mostly outside the sphere of politics. The underlying purpose is not only to put happiness back on the radar of policy interest. Rather, it is to move our entire model of economic development towards a more happiness-driven growth model, the nature of which is to question the relevance of GDP-growth as a matter of principle. Measures of well-being, rather than GDP, should be our guide.(29) Maximizing happiness, rather than income, should be the goal of government policy. Fostering security and stability, instead of economic dynamism and change, is essential.(30) Happiness, it seems, is in growing less.(31)

Our rediscovery of happiness therefore indeed comes with a true paradigm shift. A previous age, inspired by the liberal mind-set of Western Enlightenment, required the state to get out of the way and allow its citizens to freely pursue their personal happiness. Our age is turning to the state to define happiness and to organize it for us. This begs two fundamental questions: are we right in assuming that the pursuit of happiness differs from the pursuit of economic growth, and can we safely rely on the government to determine the pursuit of happiness for its subjects?



#### II. Economic growth does (not) promote happiness

The political agenda to complement, adjust or even replace economic growth with happiness rests upon the cardinal assumption that more growth and wealth do not produce more happiness. Throughout the developed world people have gotten richer and richer: average living standards have more than doubled since 1950. But people on average are nonetheless no happier (US) or only marginally so (Europe).(32) Since more wealth apparently does not generate more happiness, a society more concerned with the latter than with the former should adopt specific policies in support of happiness. If economic growth does little to improve well-being, then it should not be a primary goal of government policy. We need an alternative criterion for progress. Case closed.

Thus the happiness mantra in its undiluted form.(33) But does it hold up to scrutiny? The assumption that more wealth does not produce more happiness is commonly known as the "Easterlin Paradox". In a number of statistical papers starting in the early 1970s economist Richard Easterlin registered an apparent anomaly. On the one hand, within a given country wealthier people on average are clearly happier than poorer ones. On the other hand, over time there appeared to be very little, if any, relationship between increases in income and happiness levels.(34) The Easterlin Paradox was born and many a study since has strived to explain it as human nature. It appears that we are all stuck on a "hedonic treadmill". As incomes rise, we grow accustomed to our higher standard of living and eventually derive no lasting satisfaction from it. After a certain level of comfort is reached, additional wealth thus fails to achieve enduring happiness benefits. Some of this may be due to personal desire and some of it may be sociological, as we perennially compare ourselves with fortunate neighbours or friends with whom we want to keep up. Another explanation for the paradox is the psychologist's "set point" theory of happiness, in which every individual is presumed to have a default personal happiness level that he or she falls back to over time, irrespective of positive or negative life developments.

Does the Easterlin Paradox justify the claim that happiness should topple growth as a main goal of government policy? I believe it does not, for a number of reasons. First off, the validity of Easterlin's paradox itself is far from being beyond any reasonable doubt. More recent statistical work has indeed demonstrated a clear relationship between per capita income and average happiness levels, with no sign that the correlation weakens as income levels increase or over time. Each doubling of GDP is associated with a constant increase in life satisfaction.(35) Extensive time-series comparisons now show those enjoying materially better circumstances also enjoying durably greater subjective well-being, with higher living standards delivering higher subjective well-being.(36) In short: the Easterlin Paradox may actually not exist at all. At least the jury is still out, and the academic controversy is raging.(37) Should we not set the record straight before we decide to overhaul decades of economic insight and embark our societies upon a grand experiment of happiness engineering? "A simple, but unhelpful answer, is that more research is needed", dixit... Richard Easterlin.(38)





Recent statistical work has demonstrated a clear relationship between per capita income and average happiness levels, with no sign that the correlation weakens as income levels increase or over time. No matter how significant or insignificant Easterlin's Paradox may turn out to be, a number of findings are beyond any question. The Paradox applies only to longitudinal effects: tracing the happiness of a sample of people in prosperous nations over a long period of time shows that life satisfaction tends to change very little with the rise and fall of their income as they progress through life and career. At any specific moment in time, however, average levels of happiness are higher as one moves up the income scale. International surveys also show differences in average happiness among nations to be closely correlated with differences in average income per capita. Wealthier

countries thus have happier populations than poorer ones.(39) This in itself should be sufficient to keep prosperity and relative economic performance on the list of policy priorities, even for the happiness folk.

Furthermore, the Easterlin Paradox relies on aggregate happiness data for an entire population. It does not track the evolution of happiness across sub-groups within that population. When this is done, it turns out that historically disadvantaged groups – such as women and African Americans in the United States – have seen their happiness levels improve substantially over time.(40) There can be little doubt that their improvement is closely connected to increased educational and economic opportunities, both of which would not have existed but for an undercurrent of economic growth and the revenues it generated. As long as there will be societal needs, as long as there will be people on the lower range of the ladder yarning to move up, growth and wealth will clearly continue to be crucial for raising living standards and happiness in sync. Trading growth for happiness is a theoretical luxury perspective that presupposes a permanent status of adequate wealth for everyone. Not a single country in the annals of human history has ever reached, let alone maintained, this utopian state of collective bliss.

The main problem, however, is not the supposed Paradox; it is what our happiness apostles want to do with it. The Paradox does not claim that economic growth is not supportive of happiness. It only claims that, over time, people adapt their expectations to their increased wealth. That does not support the conclusion that growth does not matter for happiness. It does not imply that less economic growth would leave happiness untouched. This is the crux of the debate: not whether more economic growth and prosperity produce durably more happiness, but whether less economic growth and prosperity would help happiness. The happiness advocates that question the desirability of economic growth cannot justify their position by nuancing its additional happiness effects. They have to demonstrate that less economic growth – the inevitable consequence of their agenda to trade growth for happiness – will not end up adversely affecting personal happiness. To put it more bluntly in different terms: the key issue is not whether the public overall is no happier than it was half a century ago; it is whether the public would be willing to return to the living standards of that epoch – with few cars, no colour TV, no computer, internet or cell phones – and be equally happy.(41)



I know of no studies examining this premise, or for that matter confirming it. All the available indications are certainly against it. We know all too well that underperforming economies fail their citizens in job cre-



Happiness advocates have to demonstrate that less economic growth will not end up adversely affecting personal happiness.



ation and deliver insufficient resources to fuel the perennial innovation in healthcare, the insatiable needs for care and welfare, or the schooling needs of the deprived. Joblessness, lack of economic or educational opportunities, eroding healthcare, poor pensions: those are the tokens of economic stagnation and they most certainly undermine happiness instead of promoting it. Easterlin himself is keen to point out that unemployment consistently has one of the most negative impacts on happiness.(42) Since there can be little durable employment without productivity growth and the economic growth that comes with it, his analysis clearly does not do away with growth as an engine for happiness. Happiness converts and their allies in

growth relativism may advocate securing existing jobs or redistributing work by having people work less. (43) However, these quick-fixes manifest the well-known "lump of labour fallacy" that an economy only holds a fixed amount of work. In reality any economy is dynamic, with more growth and more jobs being created as people work more. Distributing work and reducing working time effectively organizes economic decline and will eventually suppress overall employment. We know this from the crisis of the 1970s and early 1980s, when many a programme for early retirement provided temporary relief for young jobseekers, only to end up reducing employment opportunities for young and old alike.(44)

Whatever the (im)potency of employment formulas, the principal conclusion remains inescapable: the fundamental premise upon which the happiness revival rests, does not justify the policy agenda which its hardcore advocates draw from it. That material aspirations escalate with economic growth, reducing and eventually levelling happiness effects, simply does not imply that reducing or freezing growth would generate more happiness. Moreover, statistical intricacies on the happiness effects of greater prosperity are blinding us from some very plain truths. Let's keep things simple and take the people's word for it. Studies that do not try to rate personal happiness in real-time but instead ask respondents what they require for more happiness and life satisfaction, all deliver similar results. Money, work, health, family relationships, community, and friends are universally valued as major happiness factors.(45) Few among us would expect government to provide for a satisfying marital life or a community of friends. That leaves money and work, both of which directly depend on the economic growth that is equally required to protect public health and provide healthcare. For all the major happiness factors that reasonably fall within the ambit of government policy, economic growth is thus the common underlying facilitator. There is no trade-off between economic growth as a public policy aim and personal happiness. Quite the contrary: growth is the indispensable driver to allow individuals to reach their happiness goals. The happiness mantra that prioritizes happiness over growth fails on its own terms. Happiness advocates that want to promote happiness instead of GDP-growth should be careful what they wish for. They will get less growth and less happiness at the same time.



The political happiness agenda is therefore clearly mistaken to consider economic growth a foe instead of a friend. A clever economic growth policy remains the best and the broadest instrument to promote overall happiness. But the attempt to disconnect growth from happiness also has uncomfortable ethical implications. A government that prioritizes happiness over growth is a government that is ready to accept a lower standard of living for its citizens. Human adaption indeed works both ways: we can adjust to misery as well as to wealth. Which dimension of happiness matters to a particular person, depends on that person's ability to pursue a meaningful and active life. When prospects are meagre, people place more value on simple, day-to-day experiences such as friendship or religion.(46) In other words: when a society fails to offer economic opportunity and jobs, people derive more well-being from non-economic factors. Are those who question the value of economic growth ready to impose the framework of happiness of poor countries upon rich ones? Should we all become happily content Greeks and Italians, savouring nature and a tranquil way of life, making do on the black market while the economy crumbles and opportunity flees? Just check the "Idignados" and other "Occupiers" and you'll have your answer.



Making happiness the overriding aim of public policy would bring us to accept and even justify hardship and decline. This could not be called a moral policy on any grounds.

Making happiness the overriding aim of public policy would bring us to accept and even justify hardship and decline. This is particularly true since – as we shall see below – our understanding of happiness is tilted towards fleeting emotions of contentment that quickly adjust to circumstances, no matter how dire or jolly. During our current years of economic crisis, for instance, Americans' assessment of their personal well-being nose-dived after the 2008 Wall Street meltdown but recovered to stable and higher levels by mid-2009, despite rising joblessness

and diminishing wealth. Our happiness surveys, as it turns out, are more affected by the arrival of St-Valentine's day than by a doubling of unemployment.(47) Are we then ready to follow personal happiness and remain oblivious to economic malaise? Will we stay passive towards the faith of the unemployed because their happiness levels adjust to their hardship? This could not be called a moral policy on any grounds. Amartya Sen has made this point very powerfully: "The hopeless beggar, the precarious landless labourer, the dominated housewife, the hardened unemployed or the over-exhausted coolie may all take pleasures in small mercies, and manage to suppress intense suffering for the necessity of continuing survival, but it would be ethically deeply mistaken to attach a correspondingly small value to the loss of their well-being because of this survival strategy".(48)

We should also acknowledge how governments that seek to promote happiness over growth inevitably embark on the slippery slope of paternalistic social engineering. If the search for ever increasing wealth yields uncertain rewards of happiness, why do so many of us try so hard to achieve it? The assumption of the happiness apostles is that we are somehow all slaves to our desires or human instincts to keep up with the Joneses. Their response is that the state should therefore intervene for our own sake, protecting and promoting our happiness where we are neglecting it. The assumption may well be wrong. Material progress most definitely enables life satisfaction, as we have seen. Increasing wealth may also bring a degree of satisfac-



tion which is hard to measure by the crude polls of personal happiness. And many of us undoubtedly strive for wealth because it enables us to achieve other goals – for ourselves, our families and our communities – that happiness meters simply do not register. The focus on happiness over growth will curtail our ability to use material prosperity for non-material goals. It will reduce the scope of personal freedom for the sake of an overall agenda for happiness promotion. With this perverse effect in mind, we can now turn to the fundamental operational question and the central mission of the current happiness agenda: can we safely rely on any government policy to promote our personal happiness?



# III. The unbearable lightness of happiness measurement

Switching from the private pursuit of happiness to the public promotion of happiness requires a determination of what happiness actually is, and the ability to organize its promotion collectively. It is there that the happiness dream meets reality in the shape of three major obstacles that undermine both its practicality and its legitimacy: one methodological, one ethical, and one political. I will address these in succession.

From a methodological perspective, no defensible happiness policy can really be considered without a clear understanding of its subject. Happiness apostles are eager to stress the scientific nature of their endeavours. Happiness is labelled as a "new science" rooted in empirical observation. (49) It is claimed we now know, at long last, what really makes people happy. But any unbiased observer who encounters happiness studies for the first time cannot help being struck by how crude and unsophisticated they actually are. Almost all the available empirical happiness research to date is based on surveys that ask individuals how happy or how satisfied they are with their lives. These surveys typically involve general questions probing happiness or life satisfaction: "taken altogether how would you say that things are these days?" Do you think of yourself as very happy, pretty happy or not too happy?" "Have you lost much sleep over worry?"; "Been able to concentrate on things?"; "Felt you are playing a useful part in things?"; "Felt capable of making decisions about things?"; "Felt constantly under strain?"; "Felt you could not overcome your difficulties?"; "Been able to enjoy your normal day-to-day activities"; "Been able to face up to your problems"; "Been feeling unhappy and depressed?"; "Been losing confidence in yourself?"; "Been thinking of yourself as a worthless person?"; "Been feeling reasonably happy all things considered?". The World Values Survey, for example, asks, "Taking all things together, would you say you are: very happy; quite happy; not very happy; not at all happy?" and, "All things considered, how satisfied are you with your life as a whole these days?" Other variants, such as the Gallup World Poll, employ a ladder analogy: interviewees are asked to imagine a ladder with each rung representing a successively better life. Respondents then report the "step" on the ladder that best represents their life. Such lines of questioning remind one more of the shrink's sofa than of meticulous data mining. But they are nonetheless invoked to "scientifically" diagnose the state of the human condition.(50)

The immediate conclusion is that our so-called "scientific" happiness data are nothing more than a collection of tentative happiness gauges, summarily offered by fallible respondents, in response to very crude questions, and interpreted by fallible researchers, some of whom turn out to have a personal political agenda. Should we take all this as rock-solid evidence to supplant overall economic progress with somebody's grand happiness plan? There are several reasons to be very hesitant at least, well beyond the intrinsically vague and imprecise nature of the happiness surveys as such.(51) It is widely recognized that responses to happiness surveys are inherently subjective and relative. Feelings of personal well-being are influenced by infinite personal and cultural biases. Each and every individual faces life's predicaments differently. Our biological and neurological make-up differs: happiness and unhappiness, at the end of the day, are about brain waves. Education and cultural norms vary. Societal attitudes and expectations differ. All of these affect the way different people judge similar situations on their personal happiness scale. None of these transpire from the current happiness meters. One records subjective well-being and therefore by definition accepts that responses will be subjective. But should we really use subjective individual data as scientific intelligence to determine public policy for everyone?



Not only are our crude happiness measurements subjective and relative, they are also inherently unreliable to some extent. People may be motivated to manipulate reports of their own well-being, either downplaying or exaggerating well-being according to the context and the purpose of the inquiry. If Gross National Happiness would be used to measure well-being, citizens could strategically adapt their life satisfaction responses in order to influence policies to their liking. It also recognized that respondents to happiness surveys tend to be unduly susceptible to fluctuations of moment-to-moment mood. Subjective reports of well-being moreover suffer from our tendency to conform our responses to implicit standards of assessment or comparison we acquire through culture and society. (52) These standards also evolve in time, making the entire exercise of comparing happiness over time inherently problematic. Furthermore, the standard of judgment people use when



Happiness measurements are not arbitrary but they are crude, superficial, subjective, relative, and inherently unreliable to some extent.



reporting their level of happiness is contextual and malleable. For instance, when people are asked to report how well they were doing relative to their own and their parents' past, self-reported levels of happiness rise dramatically.(53) The whole mechanism of grading happiness in relation to wealth – the key statistic fuelling the entire "beyond-GDP" logic – suffers from the cardinal methodological flaw that no respondent can keep on increasing his/her personal happiness level beyond "very happy", whereas income continues to rise over time. The purported disconnect between increased wealth and increased happiness is thus effectively organized by the very statistical mechanism that is supposed to report it. Scientific, anyone?

Next up is the perennial Achilles heel of all statistical inquiries: the distinction between correlation and causation. It is not enough to fathom the connection or disconnection between wealth and happiness. For any judgment to be scientifically admissible, one also needs to establish the causes of the observed relationship. Almost the entire collection of happiness surveys fails on this account alone. Not only are these surveys crude and partly unreliable recordings of subjective emotions, they are also unable to link the recorded sentiments to a comprehensive set of possible sources of happiness or distress. As we have seen, there are some recognized categories of correlation, linking happiness to money, work, health, family relationships, community, and friends. But beyond these broad generalizations, many possible factors that influence subjective well-being still await exploration. There is some evidence that the link between wealth and happiness is direct and causal, i.e. not dependent on other factors besides increasing wealth.(54) This undermines, rather than supports the thesis that we should move beyond wealth to create more happiness. In any event, the limits of our statistical comprehension alone should put any comprehensive happiness in a given society.

Happiness surveys are obviously not entirely random. They cannot be discarded as irrelevant. Some studies have tried to verify recordings of subjective happiness, through repetitions or by connecting them to more objective factors. They have found relevant degrees of reliability. (55) But these efforts in rationalizing the irra-



tional remain sketchy and superficial. Happiness research essentially relies on rudimentary surveys because it has nothing better. People are reckoned to be the best available judges of their own happiness.(56) This may well be true, but that does not make it a legitimate basis for a wholesale policy agenda. Quite the contrary, if people's words on ephemeral feelings are to be taken for granted, then why question the much more reliable and verifiable source of their actions? Why question people's consumer decisions and desire for prosperity, but accept their version of happiness? If happiness scholars are right that people are the best judge of their own lives, shouldn't we rely on the preferences revealed by their judgment to buy the next iPhone?(57)

And it doesn't stop there. Happiness surveys are a collection of snapshot impressions, asking respondents to commit their immediate feelings to paper. However, we all know that true meaning and value in life only transpires over time and in retrospect. This fundamental fact of human wisdom is totally left out of the equation. Available happiness estimates are about instant and real-time sensations, not about sustained contentment. This is a crucial caveat to make, from two perspectives. On the one hand, it steers subsequent happiness policy towards short-term satisfaction, begging the question whether this is truly the kind of happiness our society should seek to foster. We will engage this issue in the next paragraph. On the other hand, it makes the proponents of happiness policies over growth policies ignore the very same obstacle that brings them to question economic growth in the first place: our human nature to adapt to circumstances over time. While they question wealth for a supposed lack of happiness effect in the long run, they survey happiness as an instantaneous and real-time phenomenon.

More wealth – so the happiness movement claims – fails to produce ever more well-being because its beneficiaries gradually grow accustomed to it. But the very same adaptation process plagues their alterna-



Circumstances that we can change through actions or policy have a much smaller lasting influence on our subjective happiness than given factors such as genetic disposition. tive of promoting happiness. While happiness surveys record one-off snapshots at different intervals, other research convincingly demonstrates that circumstances and events often have a surprisingly small impact when happiness is instead measured over time. By and large, happiness levels appear remarkably impervious to changes in the external environment. People both report and experience approximately the same level of happiness regardless of their social or personal well-being. For example, numerous studies have found that people with severe chronic health conditions report happiness levels that are close to those reported by healthy persons, and that are much better than healthy people believe their moods would

be if they had those conditions. Such gradual adaptation of our feelings of well-being to different circumstances is neither universal nor complete, but it is strong and persistent. (58) Circumstances that we can change through actions or policy thus clearly have a much smaller lasting influence on our subjective happiness than given factors such as genetic disposition. That begs an uncomfortable existential question for the happiness movement: if we shouldn't care about economic growth because people adapt to wealth,



why should we bother about happiness when people adapt to fortune and misfortune alike? The difference, I would venture to suggest, is that happiness preachers do not like market driven growth and prefer the political orchestration of happiness instead. Should we accept their preference as morally superior?



# IV. The morality void in the happiness agenda

There are roughly two types of happiness. So-called eudaimonic well-being (from the Greek daimon - true nature), harks back to Aristotle and his conviction that true happiness is found by leading a virtuous life and doing what is worth doing, with the realisation of our human potential as the ultimate goal. Then there is the happiness that Aristotle found vulgar: the hedonic well-being derived from mere personal pleasure and contentment, traditionally associated with Jeremy Bentham and his strictly utilitarian approach to life. What kind of happiness is sought in the current revival? One of its key proponents puts it this way: "By happiness I mean feeling good – enjoying life and wanting the feeling to be maintained. By unhappiness I mean feeling bad and wishing things to be different." (59) The dean of American happiness scholars describes a happy person as one that "experiences life satisfaction and frequent joy, and only infrequently experiences unpleasant emotions such as sadness or anger" (60). This approach is profoundly hedonistic. The happiness surveys, with their focus on personal sentiment and instant sensations, are equally biased towards the hedonic side. They are the 21st century's equivalent of the "hedonometers" envisioned as the scientific measure of human contentment by Bentham's 19th century utilitarian heirs. (61) Other approaches to happiness exist, but the overwhelming inclination of contemporary happiness research is towards the hedonic-subjective idea of happiness.

If hedonic pleasures are to constitute the bedrock of public policy, we risk committing our societies to a course of instant and often superficial gratification, instead of real fulfilment and progress. If hedonic contentment is to be its goal, then the burgeoning happiness revolution may well prove to be very conservative indeed: it will end up promoting the very materialism and consumerism their proponents so often associate with the GDP-addiction they seek to undo. Relaxing, shopping, watching TV, socializing, and having sex: these are activities that typically generate a high level of hedonic happiness. Household work, professional work, and commuting are associated with low average levels of happiness.(62) Are we then to promote an empty lifestyle of transient pleasures? Whatever the orientation, one thing is abundantly clear: no happiness policy can be considered without a prior normative and moral choice on the type of happiness we want to promote. Are we to promote hedonistic contentment, notwithstanding its short-term and fleeting nature, or do we instead seek true happiness over the longer term, even if that requires short-term sacrifices and even unhappiness? Should we really seek to promote pleasant feelings and to minimize painful feelings, or instead distinguish bad pleasures from good ones, and bad pain from good pain? This requires a profound reflection which the happiness literature has largely ignored so far. (63) The baffling claim that happiness is selfevidently good and therefore by definition the right guide for public policy and private decisions alike(64) , simply does not cut it. John Stuart Mill's famous aphorism on 19th century utilitarianism equally applies to its present-day reincarnation: "Better to be Socrates dissatisfied than a fool satisfied." In the meantime, however, decades of hedonic happiness data are being piled up and, before long, risk shaping the terms of the happiness debate as a self-fulfilling prophecy without prior reflection.

The inescapable ethical dimension of the happiness debate goes well beyond the scope of individual human development. What matters for individuals, impacts society at large. Irrespective of whether we favour hedonic or austere happiness as the standard for personal well-being, we should also take into consideration





An agenda obsessed with hedonic pleasure is a strategy for decline.



its potential aggregate effect for society and mankind in general. Should we douse society with a standard dose of comfortable pleasure? Or should we recognize that many a human triumph was born from bleak adversity? Do we not risk undermining the energy of human progress by seeking to provide happiness for all? Few among us would favour deliberately organizing hardship for the sake of promoting greatness. But we cannot ignore the fact that the active public promotion of hedonic happiness is bound to under-

mine some of the melancholy and dissatisfaction of the human condition that has so often spurred creativity and progress in many fields. We cannot fail to recognize that individuals who reach the highest level of happiness typically do not possess that nagging sense of unfulfilled ambition that pushes others to heights of innovation and worldly success.(65) We should not forget that the success story of capitalistic innovation is rooted into a culture of hard work, personal sacrifice, and delayed gratification.(66) An agenda obsessed with hedonic pleasure is a strategy for decline.

The Spartan or puritan among us will therefore certainly deplore the erosion of progress – whether material, scientific or artistic – that is bound to arise when we cover humanity under a warm blanket of happiness. (67) The most balanced among us should at least recognize the dilemma and ponder carefully the potential societal side effects of personal happiness promotion, no matter how well intentioned. It is a dilemma many of us will recognize as parents in raising children. Do we indulge them in the latest fashion, TV-show and video-game, or do we instead install discipline, stimulate hard work, teach the limits of money, and the value of earned success? Do we embrace the Chinese "Tiger Mother" famously portrayed in a current bestseller, pushing our children to the limits of their ability in iron discipline, hoping they will appreciate and value it later in life?(68) Or do we accept failure and take off the pressure, even when it undermines their future potential? Similarly in education: do we emphasize discipline, learning and the transfer of knowledge, or are schools really there to make children happy and assertive?(69) Hedonic contentment may be the easy ride and the more pleasurable one while it lasts, but it may also end up eroding overall progress and leave the individual frustrated in later life. To put it plainly and simple: happiness cannot be the sole measure if human beings are to survive over time.(70)

Beyond societal progress, there is the issue of societal cohesion. Turning individual happiness into a policy goal implies an individualistic policy orientation. It may remove us from a narrow-minded obsession with individual interest, but only to replace it by a focus on individual pleasure. In both cases the prism remains the individual and the policy individualistic in purpose, if not in method. In this, our current happiness extollers again echo the world-view of their 19th century utilitarian predecessors. Jeremy Bentham famously stated that "the community is a fictitious body" and that the interest of the community is "the sum of the interests of the several members who compose it".(71) This atomic approach to society is the philosophical prerequisite for the utilitarian agenda of hedonic happiness promotion: you cannot posit individual happiness as the ultimate aim without accepting the individual as the ultimate yardstick. This, however, boils down to societal

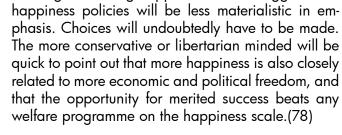


nihilism. Any society, in the end, rests upon a moral order – whether articulated or unspoken – that balances freedom and coercion, and settles the relation between personal impulses and community requirements.(72) By focusing on personal happiness alone, we ignore societal cohesion and its moral foundation at our peril. Fun is not and cannot be pursued in a vacuum. Our societal contract contrasts self-interest with public interest. Consequently, we inevitably will have to limit the promotion of happiness to what is accepted as proper and desirable. Here again, the happiness programme necessitates a normative and moral inquiry which its enthusiasts fail to acknowledge.

This brings me to societal fairness. Postulating happiness as a public policy goal, rather than as the liberty of each individual, is a normative political decision with massive moral implications. Is our key societal objective to produce happiness, or justice? Are the policy implications of a happiness agenda compatible with our understanding of justice and fairness, or not? Those who associate justice with the welfare state's redistributionist programme may well prefer Justland over Happyland.(73) Most happiness preachers speak happiness but mean welfare and redistribution, apparently convinced that the two are one and the same. (74) They may be surprised to learn that subjective well-being depends much more on living standards than on state welfare(75), that rising income inequality has coincided with declining happiness inequality(76), or that the effect of inequality on the poor's happiness depends much more on a society's cultural attitude towards inequality than on inequality per se.(77) The happiness way will not necessarily be the path of egalitarianism and income redistribution so typically favoured by the missionaries of the welfare state. Indeed, the basic assumption that wealth does not bring everlasting happiness instead suggests that



Much of the current happiness tale is told in an amoral virtual reality shaped by the factual registration of personal sentiments. It needs a healthy dose of ethical and philosophical reflection.



The moral case for a deliberate happiness agenda is therefore clearly far from straightforward. Any happiness policy – no matter how shaky or solid its statistics, no matter how sound or foolish its economics – will face a difficult moral trade-off currently ignored

by the swelling chorus of happiness adapts. Much of the current happiness tale is told in an amoral virtual reality shaped by the factual registration of personal sentiments. It needs a healthy dose of ethical and philosophical reflection to set its moral bearings if we are to translate empirical findings into policy arguments. There will always be two sides to the morality coin, and no happiness policy can therefore be conceived as a straightforward ethical enterprise.

More fundamentally, however, no matter how clever or balanced our construction of happiness may be, we cannot escape the fact that it will fail to capture a wide range of values and dimensions that people



legitimately care about. If life is about much more than money, as most of us will readily admit, it is clearly also about much more than mere personal happiness. Any happiness policy by definition succumbs to an egotistic self-indulgent bias that ignores other fundamentals of the human condition, not only on the personal level but also in the context of marriage, family and society at large. From an ethical point of view, society should clearly not only be concerned with having its citizens living the good life, but also a life that is good. This moral dimension has so far been lost on today's hedonistic happiness revival. In any case, every programme to promote happiness by definition will have to determine what it considers sufficiently valuable for promotion, while ignoring all other factors, no matter how valuable they may be for its intended beneficiaries. At the end of the day, happiness policy therefore becomes the political determination of happiness, to which we now turn.



# V. The politicization of happiness

Can the post-GDP happiness logic – no matter how well-founded or ill-conceived it may actually be – realistically be converted into effective happiness policies? Reality, I fear, is self-evident: whatever it takes to achieve genuine personal happiness exists within individuals and not within the powers of politicians or public officials. There are simply too many personal, family, genetic, cultural or societal factors, and too many plain idiosyncrasies that will forever remain beyond the grasp of public policy and public servants, no matter how enlightened and determined. Any policy that seeks to achieve happiness for its constituents is therefore bound to fail in its ultimate objective.

Furthermore, no single policy is able to instil happiness directly into a person's heart. The best a policy maker can do is to approximate by offering a context which he understands to be amenable to happiness. For that he will have to select what instruments to use and what criteria to apply. Any happiness policy will have to limit its aim and standardize its method. It will focus on income redistribution, interfere in education, ensure water supply, provide housing, regulate advertising, invest in public transportation, mandate parental leave, recalibrate working conditions for well-being, or offer accessible healthcare for all; to name a number of the policy solutions proposed in the happiness literature.

The bottom line is always the same. The pursuit of happiness by policy boils down to having zealous politicians regulate the rest of us into their version of happiness, based upon some idealist researcher's understanding of what happiness means and on some benign technocrat's interpretation of our current happiness. No happiness programme can avoid the folly of defining its "one-size-fits-all" view of happiness for a population of infinite diversion. The inevitable outcome of any attempt to consciously organize the promotion of happiness is to turn it into an agenda of organizing what politically qualifies as happiness. By seeking to promote happiness we end up prescribing it. When the promotion of well-being becomes a policy goal, the policy maker always imposes values by deciding what kind of well-being is taken into consideration. The political consequence of the happiness logic is an agenda to codify "emotional prosperity" and use it as an instrument to engineer the progress of societies and of mankind accordingly. An obsessive focus on happiness as the overriding common good leaves no room for a debate on other or ultimate goals, and ends up in an agenda that denies people the possibility to choose between goals for themselves. (79)

Another inescapable and uncomfortable political implication of the happiness agenda is the need to distinguish good happiness from bad happiness. The happiness movement may well be in denial about this normative imperative, as we have seen. But any happiness policy by definition assumes the desirability of the happiness it promotes. Embracing happiness as a political agenda thus requires governments to separate desirable from undesirable happiness. Government will enter the business of promoting what it considers healthy happiness, and of helping its citizens distinguish between hedonic addiction to superficial pleasures and its understanding of real happiness.(80) It is not just happiness as such that is politically defined, but also the morality of happiness. This gets the happiness agenda into hot philosophical waters. A system of government rooted in the respect of individual liberty, cannot justifiably interfere with its members' liberty by legislating morality, unless it serves a sufficiently important and legitimate social objective.(81) The politi-



cal promotion of hedonic pleasure therefore sits uncomfortable with a constitutional tradition of liberty. That tension need not necessarily always yield conflict, but it is there and it should be duly considered before we embark upon an all-out happiness quest.

Do we really expect politicians and bureaucrats to be better placed to make decisions for our happiness than ourselves? Do we really want the state to frame our state of happiness, or do we want the state to allow and enable us to strive for personal happiness ourselves? That, at the end of the day, is the key political and philosophical question which the happiness movement forces us to confront. It is no accident that the happiness crowd hosts a small batch of radical thinkers who want to trade the open economy for a form of planned economic development, using happiness and well-being as a new veil to shroud some very old and very radical collectivist ambitions. It is no accident that the middle-of-the-road policy recipes from the happiness cookbooks have the familiar imprint of state-offered and state-controlled entitlements.

In the worst scenario, the politics of happiness have a troubling and uncomfortable smell from a dark totalitarian past. In the best scenario, they merely open a new dimension in the ever expanding universe of the welfare state, paving the way to what could be called hedonic welfarism. In each case, the right



The freedom to pursue happiness as you want it becomes the entitlement to happiness as the government defines it. And once you start into entitlement mode, there is no stopping.

to freely pursue one's happiness is partly replaced by the duty to accept what politicians and officials determine to be happiness. The freedom to pursue happiness as you want it becomes the entitlement to happiness as the government defines it. And once you start into entitlement mode, there is no stopping. Surely even the most careful politician will eventually have to recognize the arbitrary limits of any happiness programme. The case to expand it where it has failed to serve before will always be much easier to make than to abolish it completely.

The proof of the pudding is in the eating. The politics of happiness advocated by most happiness revivalists are essentially a collection of well-intended programmes that institutionalize the search for happiness through an updated welfare state. The happiness revolution disappointingly does not produce any revolutionary policy. It starts with the individual expression of individual happiness emotions and ends in standardized collective predestination. This huge internal contradiction makes the happiness agenda no different than the so-called GDP-addiction it deliberately seeks to undo. It too reduces and stereotypes societal evolution through fixed and general formulas that will eventually narrow and impoverish our understanding of human progress.

Furthermore, some of the advocated happiness policies are already a reality in many of today's European welfare states. The difference between today's reality and the happiness agenda is not in kind, but in degree. Existing policies for subjective well-being are the product of occasional law-making in response to concrete concerns and specific aims. The happiness agenda wants to deliberate frame the entire purpose



of public policy towards subjective well-being. What is now specific and precise will become general and undefined. The happiness agenda represents an open-ended commitment to hedonic welfare.

This evidently opens yet another moral perspective on the happiness agenda, in the shape of the age-old debate on the welfare state's contentious relationship with freedom and liberty. We will not summarize centuries of thought on liberty, nor reiterate the profound ethical reflections on the welfare state that can be found abundantly elsewhere. (82) We can simply stick with happiness and take on its agenda on its own terms. We need to understand the determining factors behind emotions of happiness. As it turns out, personal freedom and control are powerful predictors of personal happiness. Around the world, there is a strong correlation between personal freedom and personal happiness. Economic freedom, political freedom, perceived societal tolerance, autonomy and self-determination, are all decisively correlated to personal happiness. (83) Life satisfaction and personal freedom go hand in glove. Happiness starts with the freedom to determine your happiness yourself. The current happiness agenda therefore fails its own purpose on three accounts. First, by putting happiness before growth, it reduces for entire populations the possibility of self-realisation which rising living standards so powerfully enable, as we have seen. Second, by favouring happiness as the ultimate goal, its policies reduce the possibility for people to choose other ultimate ends instead. Third, by promoting happiness through interventionist entitlements, it may well support the happiness of some but it will reduce the autonomy and self-determination that support happiness for all.

Aldous Huxley's Brave New World paints an apocalyptic picture of a future totalitarian world where genetic manipulation and organized drugging keeps mankind perennially happy in a state of monotone submission and empty pleasures. I do not expect any happiness scholar to propose organized sedation as a policy any time soon, even though this may well be the most effective way to reach hedonic happiness for all. But one cannot help but notice Huxley's remarkable prescience in his foreword to the 1946 edition of that famous novel: "The most important Manhattan Projects of the future will be vast government-sponsored inquiries into what the politicians and the participating scientist will call "the problem of happiness" – in other words the problem of making people love their servitude."



# VI. Conclusion: free happiness from the claws of political predestination

For every human being, indeed for most living creatures, well-being and happiness matter tremendously. The pursuit of happiness is a natural and crucial part of the human existence, as philosophers have recognized for many centuries. A state of personal happiness clearly can benefit society as well. Happy people on average have more productive and successful careers(84), are more willing to engage in the risk-taking of the successful entrepreneur(85), live longer and healthier lives(83), and even drive more safely(87). There is thus a strong case for integrating a happiness perspective into policy reflection. Valuing happiness also brings us closer to the essentials of life, and may thus help to supersede some of the materialistic biases of existing policies. The combat zone there will go well "beyond GDP" indeed. Think policies for artificial prosperity through hand-outs, tax mechanisms, affordable housing schemes, and the like. Think original welfare state in its materialistic penchant, determining poverty as mere income inequality, condemning the "gender pay gap" irrespective of underlying causes, or generally equating fairness with income redistribution.

Unfortunately, however, happiness is not only promoted as an additional factor for consideration in the process of political decision-making. A hard-core of very visible happiness enthusiasts is advocating a return to a utilitarian past, defending the greatest happiness of mankind as the ultimate common good and its promotion as the overarching goal of public policy. This opens the way for a deliberate politicization of happiness that morphs into interventionist policies for endless hedonic welfare. I have argued that this happiness agenda comes with dangerous assumptions, weak credentials, unclear motives, and doubtful goals. Dangerous assumptions that unduly question the validity of economic growth as an instrument for well-being (section I). Weak credentials that have their statistics either wrong (section II) or inaccurate (section III). Unclear motives that lack a coherent ethical framework (section IV). Doubtful goals that offer little more than an entitlement bonanza or worse (section V).

It is time to expose these flaws and liberate happiness from the claws of political predestination. The terms in which the current happiness revival is increasingly cast, are problematic at best and dangerous at worst. Nobody has ever torn the pursuit of happiness out of the almanac of human progress. But our traditional focus on economic growth expresses the valuable conviction that government should not seek to define and prescribe happiness, and that personal freedom in a context of economic opportunity is the best way to achieve that very utilitarian "greatest happiness for the greatest number".

We should not switch from a perceived obedience to GDP to a real obedience to coarse emotional indicators. We need to recognize the inherent fallibility of happiness meters and consider their limits as reliable instruments. We need to understand how current happiness surveys are biased towards fleeting emotions of hedonic pleasure that, if they are to form the lightning rod for policy, will set humanity on a track of amoral gratification and overall decline. We need to square the reign of happiness with that of justice. We should not only be concerned with living the good life, but also a life that is good. We need to acknowledge that happiness meters fail to register how many of us seek wealth to achieve other goals – for ourselves, our families or our communities. We need to realize that happiness meters ignore the underlying factors that determine subjective well-being, among them the powerful forces of economic freedom and self-determination.



Let's reconnect with some basic truths. Economic growth and happiness are clearly allies, not enemies. Happiness cannot replace growth; it depends on growth for the many material and immaterial necessities we need and value. No single country, however developed, can be frozen in a static state of permanent prosperity. Happiness policies should therefore seek to promote, complement and improve growth; not to destroy



Happiness can be added to the list of qualitative criteria that allow us to better judge and value quantitative economic development, enabling growth that is both high-quantity and high-quality.



or muzzle it. Happiness can be added to the list of qualitative criteria that allow us to better judge and value quantitative economic development, enabling our economies to mature further towards a reality of economic growth that is both high-quantity and high-quality. We need growth that is sustainable. Human well-being is part of that legitimate concern, even if we should be mindful of pursuing it where we lack genuinely reliable and objective standards. However, the overriding aim of public policy should clearly not be to orchestrate or hide economic decline under the cover of hedonic happiness. Any policy that would try to install happiness by forsaking growth, would

quickly hit a wall of reality. The dream of leaving GDP behind is a nightmare that will never become reality.

Let's not get carried away either. Our happiness revolutionaries start with a bang but end with a whimper. They promise to overhaul our entire policy make-up towards the common good of personal happiness. They end up with a pretty random but rather predictable collection of hedonic welfare prescriptions. One may well be inclined to ask: "is that it"? The answer is yes. Making the promotion of happiness the pinnacle of policy priorities is as easy in principle as it is hard in practice. It is easy to accept as a broad policy platitude. It is hard to reliably and verifiably go from platitude to action. The problem of the happiness agenda lies not so much in its aim as in the inherent fallibility and arbitrariness of its implementation. There is only so much one can know about subjective well-being and only so much one can do about it through policy. At the point action, the politics of happiness will be more about the preference of its authors than of its subjects.

Valuing personal happiness should therefore should not be an alibi for a new wave of egalitarian social engineering. Any policy that seeks to achieve happiness for its constituents is imposing its political understanding of happiness. Turning immaterial happiness into a programme for material entitlements is not a solution: it is a problem. Beyond a certain level of basic necessities, personal happiness is and will always be significantly personal and subjective. Attempting to provide it collectively through standard entitlements is bound to fail. An overarching societal commitment to the promotion of happiness opens the door to endless entitlement claims, as happiness slowly but surely sinks into entitlement culture. Moreover: people value plenty of immaterial things in life beyond happiness: religion, justice, truth, glory, beauty, sports, the fine arts, and so on. Once you embark upon an entitlement agenda to offer the good life, you really cannot stop at happiness.





If the support of happiness does not leave us free to choose, it will end up reducing our ability to pursue happiness in the first place.

Government can and must play an important part in the promotion of happiness for its citizens. We do not need to reinvent the wheel and revolutionize our economic model for it. All available research shows lasting happiness to be primarily dependent on personal temperament, marriage, social relationships, employment, perceived health, religion, and the quality of government. Government should therefore evidently get its own house in order, allowing its citizens to have confidence in rulers and rules alike. It should also favour a strong economy capable of providing many employment opportunities. It should promote public health and healthcare, but that does

not condemn it to any particular healthcare model a priori. It can consider specific measures in support of family life, social activities, or the freedom of religion. But it should refrain from doing so by imposing rights and duties across the board.

If the support of happiness does not leave us free to choose, it will end up reducing our ability to pursue happiness in the first place. Personal and economic freedom, and the ability to determine one's life for one's self, are among the strongest recorded determinants of personal happiness. There is a thin line between facilitating the individual pursuit of happiness and prescribing it for all of us. That line will make the difference between a free society that maximizes the opportunity for prosperity and the possibility of happiness, and a compulsive system that reduces the scope for both.

#### Marc De Vos1

Directeur Itinera Institute - Ghent University Law School



#### **References**

- A. Alesina, R. Di Tella and R. MacCulloch, Inequality and Happiness: Are Europeans and Americans Different?, 2004 Journal of Public Economics 88, 2009-2042.
- P. Barrotta, Why Economists Should Be Unhappy with the Economics of Happiness, 2008 Economics and Philosophy 24, 145-165.
- D. Bell, The Cultural Contradictions of Capitalism, Twentieth Anniversary Edition, Basic Books, 1996.
- J. Bentham, Introduction to the Principles of Morals and Legislation, first published in 1789.
- M. Benz and B. Frey, Being Independent is a Great Thing: Subjective Evaluations of Self-Employment and Hierarchy, 2008 Economica 75, 362-383.
- D. Bok, The Politics of Happiness, Princeton University Press, 2010.
- R. Boarini, A. Johansson, and M. Mira d'Ercole Alternative Measures of Well-Being, OECD Social, Employment and Migration Working Papers, no. 33, 2006.
- R. Bosman and F. van Winden, Global Risk, Investment and Emotions, Center for Economic Policy Rsearch, DP 5451, 2006.
- A. Brooks, Gross National Happiness, New York, Basic Books, 2008.
- A. Brooks, The Battle. How the Fight Between Free Enterprise and Big Government Will Shape America's Future, New York, Basic Books, 2010.
- C. Caresche, G. Guibert and D. Szynkier, Le bonheur est-il dans la décroissance ?, Paris, Fondation Jean Jaurès, 2011.
- A. Chua, Battle Hymn of the Tiger Mother, Penguin Press, 2011.
- A. Coote, J. Franklin, and A. Simms, 21 hours. Why a shorter working week can help us all flourish in the 21st century, NEF.
- Copenhagen Consensus on Climate, Advice for Policymakers, Copenhagen Consensus Center, 2009.
- A. Deaton, Income, Health, and Well-Being Around the World: Evidence From the Gallup World Poll, 22 Journal of Economic Perspectives 2008, No. 2.
- A. Deaton, The Financial Crisis and the Well-Being of Americans, NBER Working Paper No. 17128, 2011.
- E. Diener and M.Y. Chan, Happy People Live Longer: Subjective Well-Being Contributes to Health and Longevity, 2011 Applied Psychology: Health and Well-Being 3, 1-43.
- R. Easterlin, Does Economic Growth Improve the Human Lot? Some Empirical Evidence, in Nations and Households in Economic Growth, New York, Academia Press, 1974.
- R. Easterlin e.a., The Happiness-Income Paradox Revisited, IZA DP No. 5799, 2011.
- R. Epstein, Happiness and Revealed Preferences in Evolutionary Perspective, 33 Vt. L. Rev. 559 2008-2009, 559-583.
- European Commission, GDP and beyond. Measuring progress in a changing world, COM(2009) 433 final.
- B. Frey e.a., Happiness. A Revolution in Economics, MIT Press, 2008.
- B.M. Friedman, The Moral Consequences of Economic Growth, New York, Alfred Knopf, 2005.
- D. Gilbert, Stumbling on Happiness, New York, Alfred Knopf, 2006.
- R. Goudie e.a., Happiness as a Driver of Risk-Avoiding Behavior, CESifo WP Series No. 3451, 2011.



- C. Graham, The Pursuit of Happiness: An Economy of Wellbeing, Brookings, 2011.
- C. Graham, The Challenges of Incorporating Empowerment into HDI: Some Lessons from Happiness Economics and Quality of Life Research, UN Development Programme, Research Paper 2010/13.
- G. Grossman and A. Krueger, Economic Growth and the Environment, NBER Working Paper No. 4634, 1994.
- M.R. Hagerty, Was Life Better in the 'Good Old Days'? Intertemporal Judgments of Life Satisfaction, 4
  Journal of Happiness Studies 2003, No. 2.
- R. Inglehart e.a., Development, Freedom, and Rising Happiness. A Global Perspective, 2008 Perspectives on Psychological Science 3, Number 4, 264-282.
- R. Inglehart and C. Welzel, Modernization, Cultural Change, and Democracy: The Human Development Sequence, New York: Cambridge University Press, 2005.
- T. Jackson, Prosperity without growth?, Sustainable Development Commission, 2009.
- S.C. Kassenböhmer and Ch.M. Schmidt, Beyond GDP and Back: What is the Value-Added by Additional Components of Welfare Measurement?, IZA DP No. 5453, 2011.
- T. Kosugi et al., Internalization of the external costs of global environmental damage in an integrated assessment model, 2009 Energy Policy 37, Issue 7, p. 2664-2678.
- A. Krueger and D. Schkade, The Reliability of Subjective Well-Being Measures, CEPS Working Paper No. 138, 2007.
- R. Layard, Happiness. Lessons from a new science, London, Penguin Books, 2005.
- R. Layard, Happiness is back, Prospect, 108/2005.
- S. Lebergott, Pursuing Happiness: American Consumers in the Twentieth Century, Princeton University Press, 1993.
- G. Loewenstein and P.A. Ubel, Hedonic adaptation and the role of decision and experience utility in public policy, Journal of Public Economics 92 (2008), 1795-1810.
- B. Lomborg, The Skeptical Environmentalist, Cambridge University Press, Cambridge, 2001.
- T. Loveless, How well are American students learning?, Brown Center Report on American Education, October 2006, Volume II, Number 1.
- J. Martinez-Alier e.a., Sustainable de-growth: Mapping the context, criticisms and future prospects of an emergent paradigm, 2010 Ecological Economics 69, 1741-1747.
- D. McCloskey, The Bourgeois Virtues, University of Chicago Press, 2006.
- D. McMahon, Happiness: A History, Atlantic Monthly Press, 2006.
- W.D. Nordhaus and J. Tobin, Is Growth Obsolete?, in Economic Growth, New York, NBER 1972.
- M. Nussbaum, Who is the happy warrior? Philosophy poses questions to psychology, 37 Journal of Legal Studies 2008, 81-112.
- Office for National Statistics, Measuring national well-being, London, 2011.
- A. Oswald, Emotional Prosperity and the Stiglitz Commission, IZA Discussion Paper No. 5390, 2010.
- A. Oswald, E. Proto, and D. Sgroi, Happiness and Productivity, IZA DP No. 4645, 2009.
- A. Oswald and S. Wu, Objective Confirmation of Subjective Measures of Well-being: Evidence from the USA, IZA Discussion Paper No. 4695, 2010.
- T. Panayotou, Economic Growth and the Environment, 2003 Economic Surveys of Europe, No 2.
- J.-S. Pischke, Money and Happiness: Evidence from the Industry Wage Structure, NBER WP 17056,



#### 2011.

- A. Sen, On Ethics and Economics, Blackwell Publishing, 1987.
- D. Shapiro, Is the Welfare State Justified?, New York, Cambridge University Press, 2007.
- A. Simms, V. Johnson and P. Chowla, Growth Isn't Possible. Why we need a new economic direction, London: New Economics Foundation, 2010.
- R. Stavins and B. Whitehead, Pollution charges for environmental protection: A Policy Link between Energy and Environment, 1992 Annual Review of Energy and the Environment, Vol. 17, 187-210.
- B. Stevenson and J. Wolfers, Economic Growth and Subjective Well-Being: Reassessing the Easterlin Paradox, IZA DP No. 3654, 2008.
- B. Stevenson and J. Wolfers, Happiness Inequality in the United States, IZA DP No. 3624, 2008.
- E. Stiglitz, A. Sen, J.-P. Fitoussi e.a., Report by the Commission on the Measurement of Economic Performance and Social Progress, 2009.
- A. Tarasofsky, GDP and its derivatives as welfare measures: a selective look at the literature, Centre for the Study of Living Standards, 1998.
- F. Vandenbroucke, Geluk als doelstelling, doelstelling als geluk. Een pleidooi voor vitaliteit, Redenaarsconcert "De Triomf van de Menselijkheid", 2011.
- R. Veenhoven, Well-Being in the Welfare State: Level Not Higher, Distribution Not More Equitable, 2000 Journal of Comparative Policy Analysis 2, 91-125.
- P. Verne, Happiness, Freedom and Control, 2009 Journal of Economic Behavior and Organization 71, Issue 2, 146-161.
- M. Weber, The Protestant Ethic and the Spirit of Capitalism, first published in German in 1904-05.
- R. Wilkinson and K. Pickett, The Spirit Level. Why greater equality makes societies stronger, New York, Bloomsbury Press, 2009.
- W. Wilkinson, In Pursuit of Happiness Research. Is It Reliable? What Does It Imply for Policy?, Cato Policy Analysis No. 590, 2007.
- E. Wilson, Against Happiness: In Praise of Melancholy, Farrar, Straus and Giroux, 2008.
- A. Wolfe, Hedonic Man. The new economics and the pursuit of happiness, The New Republic, July 2008.

#### **Footnotes**

- (2)D. McMahon, Happiness: A History.
- (3)J. Bentham, Principles of Morals and Legislation, first published in 1789.
- (4)R. Layard, Happiness. Lessons from a new science, 146-147; see also R. Layard, Happiness is back.
- (5)B. Frey e.a., Happiness. A Revolution in Economics, Chapter 1.
- (6)D. Bok, The Politics of Happiness.
- (7)D. Bok, The Politics of Happiness, 2-5, and the references there.
- (8) European Commission, GDP and beyond. Measuring progress in a changing world.
- (9)http://hdr.undp.org/en/
- (10)www.oecdbetterlifeindex.org
- (11)E. Stiglitz, A. Sen, J.-P. Fitoussi e.a., Report by the Commission on the Measurement of Economic Performance and Social Progress.
- (12)Office for National Statistics, Measuring national well-being.
- (13)J. Martinez-Alier e.a., Sustainable de-growth: Mapping the context, criticisms and future prospects of an emergent paradigm.
- (14) E.F. Schumacher, Small is Beautiful: Economics As If People Mattered, first published in 1973.
- (15)T. Scitovsky, The Joyless Economy, first published in 1976.
- (16)See W.D. Nordhaus and J. Tobin, Is Growth Obsolete?



(17)The most hyped work here is R. Wilkinson and K. Pickett's The Spirit Level. Why greater equality makes societies stronger. Similar analyses are made by R. Layard in Happiness is back and Happiness. Lessons from a new science.

(18)The most hyped work here is T. Jackson's Prosperity without growth? Similar analyses are made in A. Simms, V. Johnson and P. Chowla, Growth Isn't Possible. Why we need a new economic direction.

(19) For an overview, see A. Tarasofsky, GDP and its derivatives as welfare measures: a selective look at the literature.

(20)1968 speech at the University of Kansas.

(21)See S.C. Kassenböhmer and Ch.M. Schmidt, Beyond GDP and Back: What is the Value-Added by Additional Components of Welfare Measurement?; in the same vein: R. Boarini, A. Johansson, and M. Mira d'Ercole Alternative Measures of Well-Being.

(22)The estimate is from Lawrence Summers in Relief at an agreement will give way to alarm, Financial Times, August 2, 2011.

(23)B.M. Friedman, The Moral Consequences of Economic Growth.

(24)R. Inglehart and C. Welzel, Modernization, Cultural Change, and Democracy: The Human Development Sequence.

(25) G. Grossman and A. Krueger, Economic Growth and the Environment; B. Lomborg, The Skeptical Environmentalist.

(26) It can of course be argued that the so-called quantitative "rebound effects" – i.e. greater use and/or distribution – reduce the aggregate environmental benefits of qualitative innovations, and that richer countries have in part been able to outsource environmental costs to poorer countries. Both are true to some extent, but essentially transitory, until the real breakthrough innovation is found and poorer countries get sufficiently richer.

(27) R&D remains the top policy priority for moving the economy to a post-carbon stage: Copenhagen Consensus on Climate, Advice for Policymakers.

(28) See, for instance, T. Kosugi et al., Internalization of the external costs of global environmental damage in an integrated assessment model; T. Panayotou, Economic Growth and the Environment; R. Stavins and B. Whitehead, Pollution charges for environmental protection: A Policy Link between Energy and Environment.

(29R. Layard, Happiness is back.

(30)R. Layard, Happiness. Lessons from a new science, Chapters 9 and 11.

(31) C. Caresche, G. Guibert and D. Szynkier, Le bonheur est-il dans la décroissance ?

(32) D. Bok, The Politics of Happiness, Chapter 1; R. Layard, Happiness. Lessons from a new science, 29-31.

(33) Essentially advocated by R. Layard, Happiness. Lessons from a new science, Chapter 14.

(34) R. Easterlin, Does Economic Growth Improve the Human Lot? Some Empirical Evidence.

(35) A. Deaton, Income, Health, and Well-Being Around the World: Evidence From the Gallup World Poll.

(36) B. Stevenson and J. Wolfers, Economic Growth and Subjective Well-Being: Reassessing the Easterlin Paradox.

(37) See R. Easterlin e.a., The Happiness-Income Paradox Revisited; C. Graham, The Challenges of Incorporating Empowerment into HDI: Some Lessons from Happiness Economics and Quality of Life Research.

(38) R. Easterlin e.a., The Happiness-Income Paradox Revisited.

(39) See the overview by D. Bok, The Politics of Happiness, Chapter 1.

(40) B. Stevenson and J. Wolfers, Happiness Inequality in the United States.

(41) In the same vein: S. Lebergott, Pursuing Happiness: American Consumers in the Twentieth Century, 15.

(42) R. Easterlin e.a., The Happiness-Income Paradox Revisited.

(43) A. Coote, J. Franklin, and A. Simms, 21 hours. Why a shorter working week can help us all flourish in the 21st century; R. Layard, Happiness. Lessons from a new science, Chapter 11.

(44) Countries with the highest activity rates for older workers also have the highest activity rates for young workers. Conversely countries with the lowest activity rates for older workers also have the lowest activity rates for young workers: OECD, Labour Force Statistics 1989-2009.

(45) B. Stevenson and J. Wolfers, Economic Growth and Subjective Well-Being: Reassessing the Easterlin Paradox, 4; R. Layard, Happiness. Lessons from a new science, 63.

(46) C. Graham, The Pursuit of Happiness: An Economy of Wellbeing.

(47) A. Deaton, The Financial Crisis and the Well-Being of Americans.

(48) A. Sen, On Ethics and Economics, 45-46.

(49) R. Layard has titled his seminal book "Happiness. Lessons from a new science".

(50) See A. Oswald, Emotional Prosperity and the Stiglitz Commission.

(51)For a pedagogical and descriptive overview, see D. Bok, The Politics of Happiness, Chapter 2.

(52)See G. Loewenstein and P.A. Ubel, Hedonic adaptation and the role of decision and experience utility in public policy, 1799-1800; W. Wilkinson, In Pursuit of Happiness Research. Is It Reliable? What Does It Imply for Policy?, 6-9.

(53) See M.R. Hagerty, Was Life Better in the 'Good Old Days'? Intertemporal Judgments of Life Satisfaction.

(54)J.-S. Pischke, Money and Happiness: Evidence from the Industry Wage Structure.

(55)A. Krueger and D. Schkade, The Reliability of Subjective Well-Being Measures; A. Oswald and S. Wu, Objective Confirmation of Subjective Measures of Well-being: Evidence from the USA.

(56)B. Frey e.a., Happiness. A Revolution in Economics, Chapter 1.

(57)A. Wolfe, Hedonic Man. The new economics and the pursuit of happiness.
(58)See the overview in D. Gilbert, Stumbling on Happiness, 153; G. Loewenstein and P.A. Ubel, Hedonic adaptation and the role of decision and experience utility in public policy, 1799.



(59)R. Layard, Happiness. Lessons from a new science, 12.

(60) Ed Diener, quoted in D. Bok, The Politics of Happiness, 9.

(61)The Economist, Economics discovers its feelings, 19th December 2006.

(62)R. Layard, Happiness. Lessons from a new science, 15.

(63) For an overture, see M. Nussbaum, Who is the happy warrior? Philosophy poses questions to psychology.

(64)R. Layard, Happiness. Lessons from a new science, 113 and 115.

(65)D. Bok, The Politics of Happiness, 51.

(66)D. McCloskey, The Bourgeois Virtues; M. Weber, The Protestant Ethic and the Spirit of Capitalism.

(67) E. Wilson, Against Happiness: In Praise of Melancholy.

(68) A. Chua, Battle Hymn of the Tiger Mother.

(69) T. Loveless, How well are American students learning?

(70) R. Epstein, Happiness and Revealed Preferences in Evolutionary Perspective, 570-571.

(71) J. Bentham, Introduction to the Principles of Morals and Legislation.

(72) D. Bell, The Cultural Contradictions of Capitalism, Chapter 6.

(73) F. Vandenbroucke, Geluk als doelstelling, doelstelling als geluk. Een pleidooi voor vitaliteit.

(74) See the list and the quotes in W. Wilkinson, In Pursuit of Happiness Research. Is It Reliable? What Does It Imply for Policy?, 2-4.

(75) R. Veenhoven, Well-Being in the Welfare State: Level Not Higher, Distribution Not More Equitable.

(76) B. Stevenson and J. Wolfers, Happiness Inequality in the United States.

(77) The effect of inequality on the poor is statistically insignificant in the United States but larger in Europe, due to different societal attitudes towards inequality: A. Alesina, R. Di Tella and R. MacCulloch, Inequality and Happiness: Are Europeans and Americans Different?

(78)A. Brooks, Gross National Happiness; A. Brooks, The Battle, Chapter Three; W. Wilkinson, In Pursuit of Happiness Research. Is It Reliable? What Does It Imply for Policy?

(79) In the same vein: P. Barrotta, Why Economists Should Be Unhappy with the Economics of Happiness.

(80) R. Layard recognizes this explicitly in Happiness is back.

(81) For an overview of this age-old issue, see J.L. Hill, The Constitutional Status of Morals Legislation.

(82) For a stimulating overview, the interested reader can turn to D. Shapiro, Is the Welfare State Justified?

(83) See, among others, M. Benz and B. Frey, Being Independent is a Great Thing: Subjective Evaluations of Self-Employment and Hierarchy; R. Inglehart e.a., Development, Freedom, and Rising Happiness. A Global Perspective; P. Verne, Happiness, Freedom and Control. See also, for a more political perspective, A. Brooks, Gross National Happiness.

(84) A. Oswald, E. Proto, and D. Sgroi, Happiness and Productivity.

(85) R. Bosman and F. van Winden, Global Risk, Investment and Emotions.

(86) E. Diener and M.Y. Chan, Happy People Live Longer: Subjective Well-Being Contributes to Health and Longevity.

(87) R. Goudie e.a., Happiness as a Driver of Risk-Avoiding Behavior.

Voor duurzame economische groei en sociale bescherming.



Itinera Institute VZW

Leopold II Laan 184d B-1080 Brussel T +32 2 412 02 62 - F +32 2 412 02 69

info@itinerainstitute.org www.itinerainstitute.org

Verantwoordelijke uitgever: Marc De Vos, Directeur