

Policy

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civilization

- “Happiness,” said Freud, “is no cultural value.”
 - (civilization is based on suppressed or delayed gratification/happiness)
 - see superb “Civilization and its discontents”
- Freud defined happiness as the “subsequent fulfillment of a prehistoric wish. That is why wealth brings so little happiness: money was not a wish in childhood”
 - com dev: suppressed/delayed gratification: culture of poverty: Ed Banfield “Unheavenly City”

Benthamite “Greatest SWB for the Greatest Num”

- more pleasure than pain for as many as possible
- hedonic calculus: seek pleasure, avoid pain:
 - $\text{happiness} = \text{pleasure} - \text{pain}$
- have political/legal reforms to produce
 - “Greatest Happiness for the Greatest Number”
- this is what we’re witnessing today!
 - early political advocates: [Stiglitz et al. \(2009\)](#)
 - UK, New Zealand, UAE/Dubai, OECD, Bhutan, etc
 - [but! beware of happiness industry! ([Davies, 2015](#))]

outline

beyond GDP, back to Bentham (or Aristotle!)

SWB as ultimate outcome of policy process

lets discuss readings from syllabus for today!

bonus: interventions/increase happiness

bonus: use of happiness to evaluate policy

bonus: the scientific literature and illustrative findings

bonus: bad capitalism

Robert Kennedy 1968 (cited in (Stiglitz et al., 2009))

- Even if we act to erase material poverty, there is another greater task, it is to confront the poverty of satisfaction—purpose and dignity—that afflicts us all.

cont

- Too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things.
- Our Gross National Product, now, is over \$800 billion dollars a year, but that Gross National Product—if we judge the United States of America by that—that Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage.

cont

- 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.

cont

- It measures neither our wit nor our courage,
neither our wisdom nor our learning,
neither our compassion nor our devotion to our country,
it measures everything in short,
except that which makes life worthwhile.
- now actually even degrowth makes sense ([Kallis et al., 2012](#))

GDP – > HDI – > SWB

- after WWII started with GDP, to rebuild with stuff:
 - cities, highways, buildings, etc
- then realized that other things matter:
 $HDI = GDP + Educ + lexp$
- UN: MDG – > SDG; from poverty eradication (increase GDP and equality) to other things
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4746946/>
- now realizing that even more matters:
 $SWB = \text{everything that matters!}$

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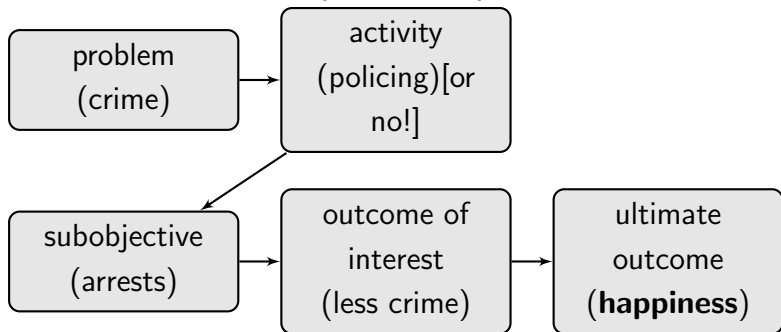
bonus: the scientific literature and illustrative findings

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why?

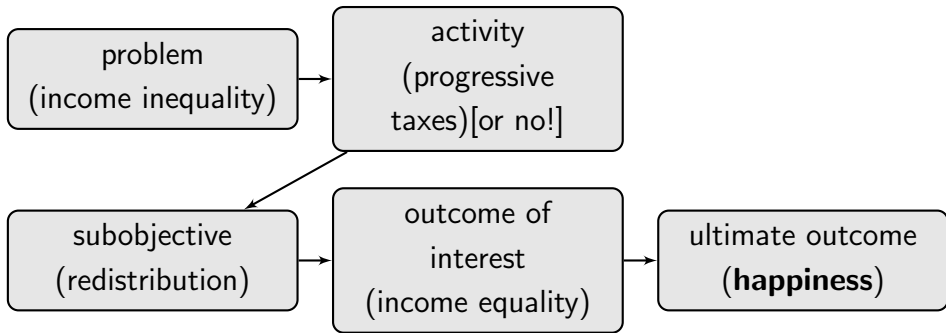
- end in itself
- a measure of utility/well-being/QOL/standard of living
- a better, more comprehensive and precise measure than individual or national income/consumption
- the ultimate outcome in public policy/adm process>

the outcome line (not easy)



can't agree on anything: more police? less police?

the outcome line (not easy!)



can't agree either; is inc ine a problem? what to do?

needs/livability theory (Veenhoven and Ehrhardt, 1995)

- humans, like other animals have certain needs
- physiological needs like water, food, sleep; and other needs:
 - eg contact with other living organisms (biophilia, social capital, nature, etc)
 - and higher (human) needs eg belonging, selfactualization
- kind of like Maslow's Hierarchy of Needs
- if needs are satisfied, then happiness follows
- then there are attr of places, environment, or ecology
- if it is "livable" then happiness follows
- this is optimistic for public policy—we can satisfy needs and provide livability

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knowledge=power: know what makes ppl happy

- social stuff
 - (eg Latin America v US)
- agency, being in charge of your life
 - (eg autonomy, flexibility (Okulicz-Kozaryn and Golden, 2017))
- meaning, purpose
 - “the meaning of life is meaning” (Csikszentmihalyi, 1991) culture, civilization, society, religion, etc (Freud et al., 1930, Fromm, [1941] 1994, Berger and Luckman, 1966, Wildavsky, 1987)

be grateful

- it works!
- and probably the easiest and fastest

carpe diem

- “Happiness, not in another place but this place...not for another hour, but this hour.” Walt Whitman
- mindfulness: feeling/being without constructs and concepts
- being present, being now; no past or future, no TODOs etc
- v difficult! need vacation, nature, etc
- (even mindfulness is in service to productivity: be mindful so you can be more productive)

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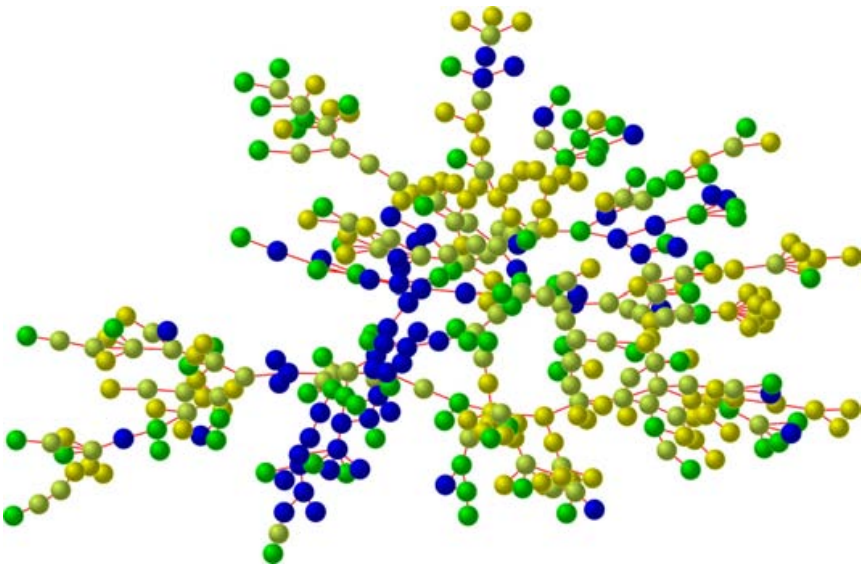
unemployment and welfare (Di Tella and MacCulloch, 2006)

- H_0 : decrease unemployment benefits to decrease unemployment rate
- happiness gap between employed and unemployed, however, did not narrow with increases in benefits in Europe from 1975 to 1992.

direct democracy (Frey and Stutzer, 2000)

- direct dem (referenda) – $> \text{SWB}$
- direct dem makes citizens happier than non-citizens
- not the policy outcome that matters (foreigners cannot be excluded) but
the process of participating in decision-making itself

SWB is contagious (Fowler and Christakis, 2008)



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what predicts happiness

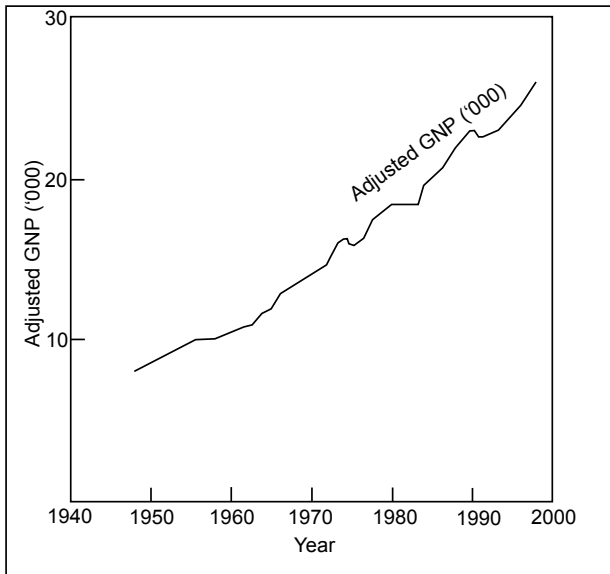
- biological needs (Diener and Biswas-Diener, 2002)
- personal income (and personal income change) (Diener et al., 1999)
- goals vs. needs (Diener and Seligman, 2004)
- leisure (Diener et al., 1999)
- personal characteristics (Diener et al., 1999)
 - personality
 - education
- social capital ('the need to belong') (Myers, 2000, Diener and Seligman, 2004)
 - religion
 - marriage

what predicts happiness cont'd

- pcgdp, ppp (Alesina and Ferrara, 2000)
- unemployment and inflation rates (Di Tella et al., 2001)
- life expectancy at birth (Di Tella and MacCulloch, 2005)
- income inequality (Alesina et al., 2003)
- political freedom (Veenhoven, 2000)
- political stability and security (Helliwell, 2006)
- gender equality (ratio of average male and female earnings) (Bjornskov et al., 2007)
- family life (divorce rate) (Di Tella and MacCulloch, 2005)

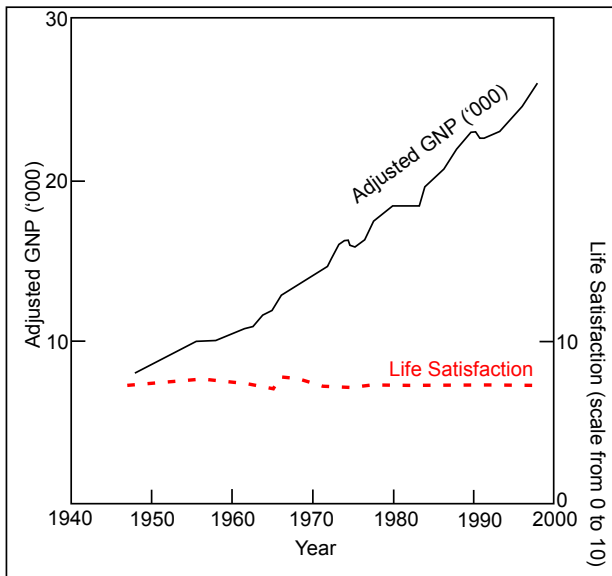
easterlin's paradox

income in the us, 1947-98 (Diener and Seligman, 2004)

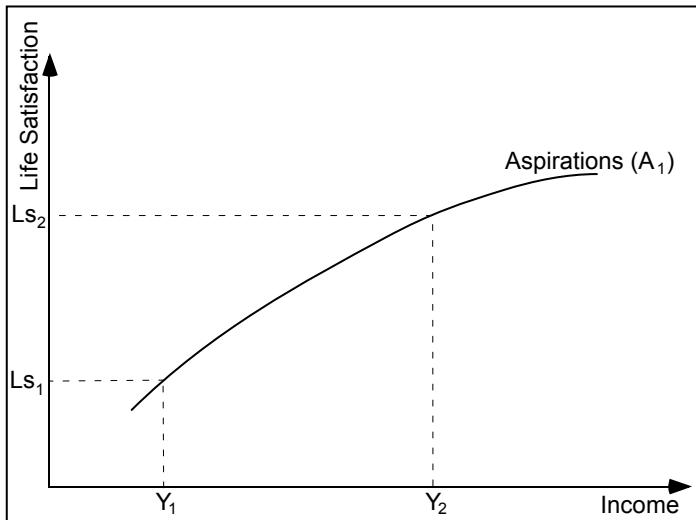


easterlin's paradox

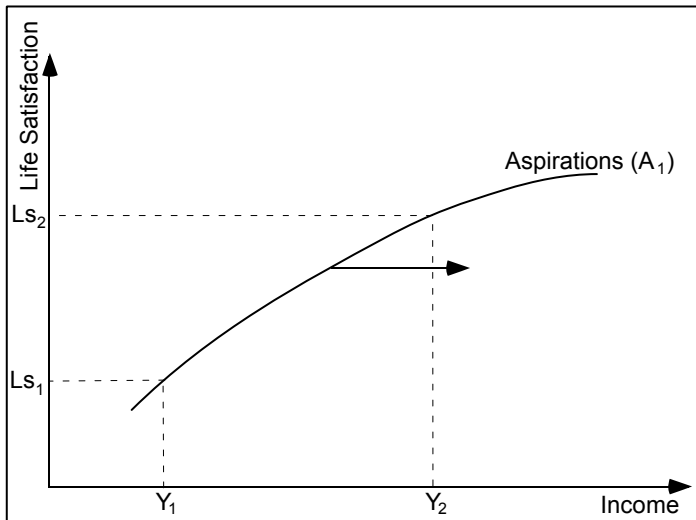
happiness in the us, 1947-98 (Diener and Seligman, 2004)



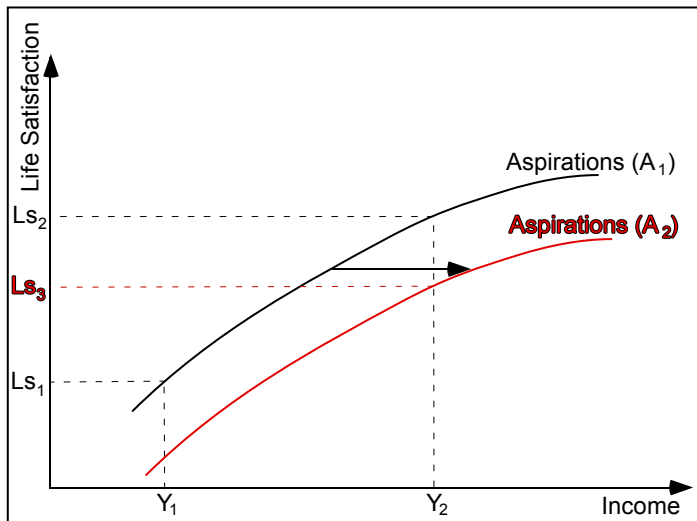
income increases happiness, but...



income increases happiness, but...



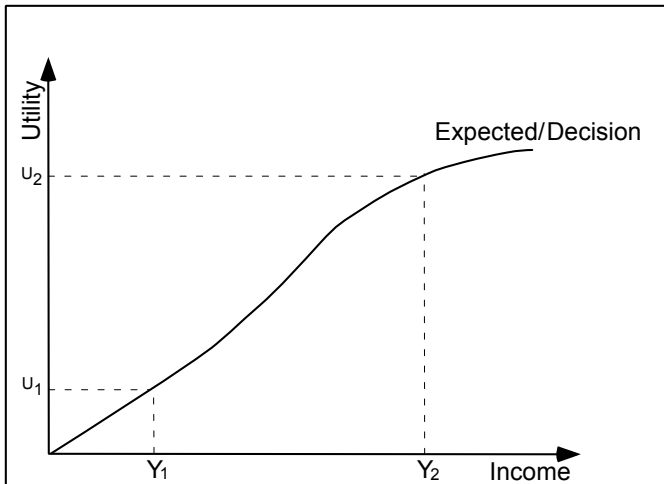
income increases aspirations, too



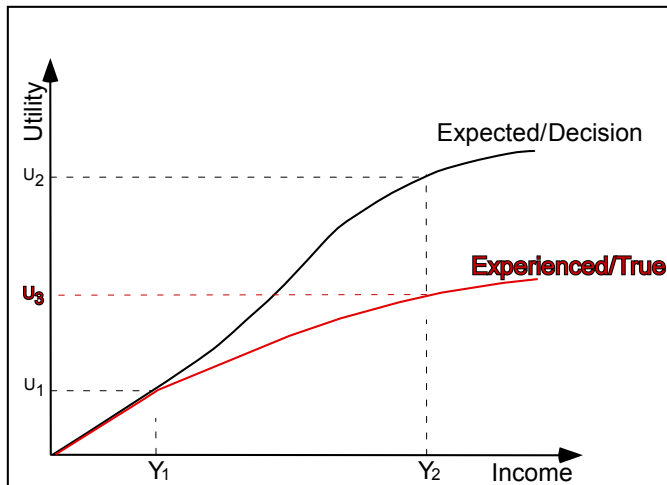
utility (Kahneman et al., 1997)

- decision utility \approx expected happiness
“weight of an outcome in a decision”
- experienced utility \approx happiness
“hedonic quality”
- decision utility \neq experienced utility

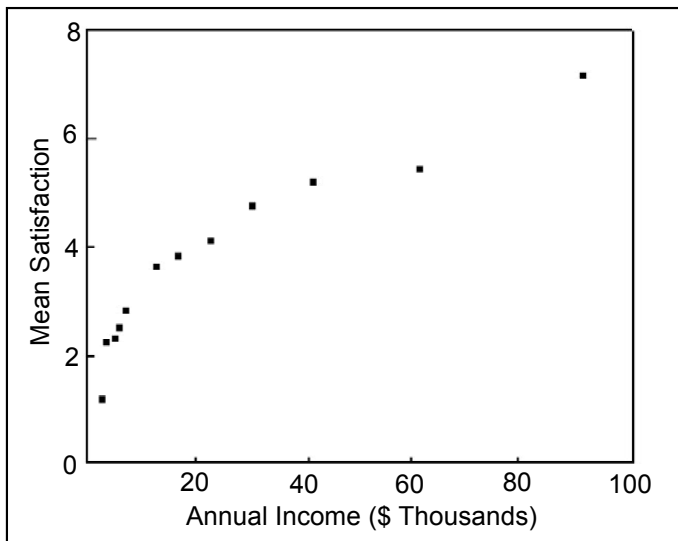
expected vs. experienced utility



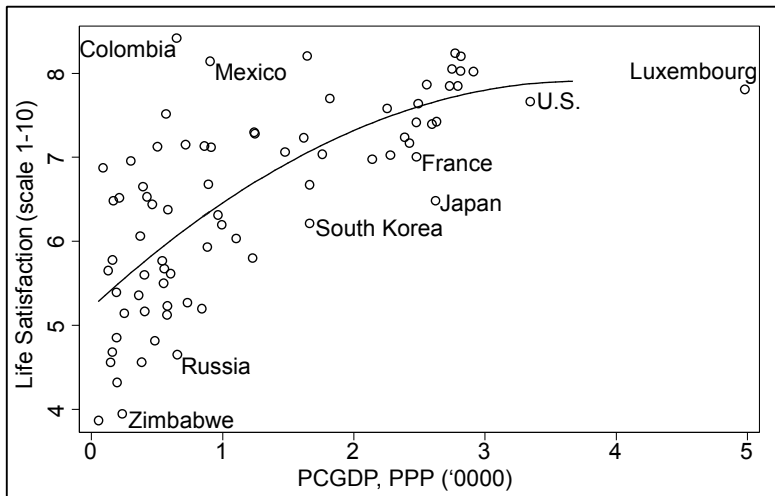
expected vs. experienced utility



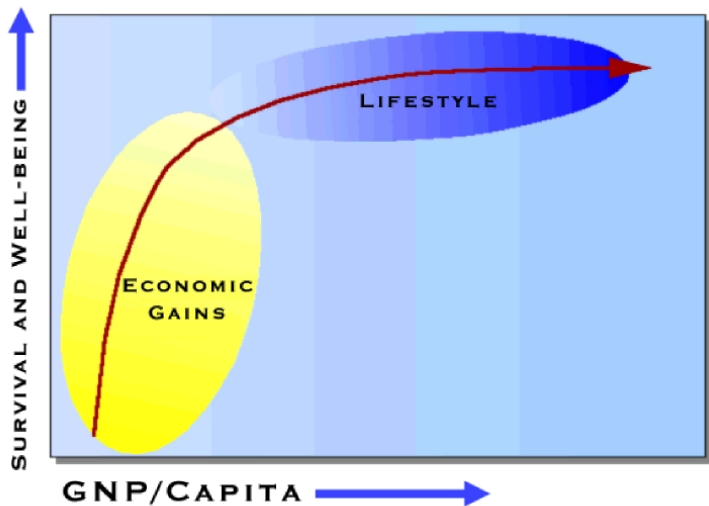
income v happiness in the us, 1981-4 (Diener et al., 1993)



income v happiness in the world, (wvs) 1996-2004



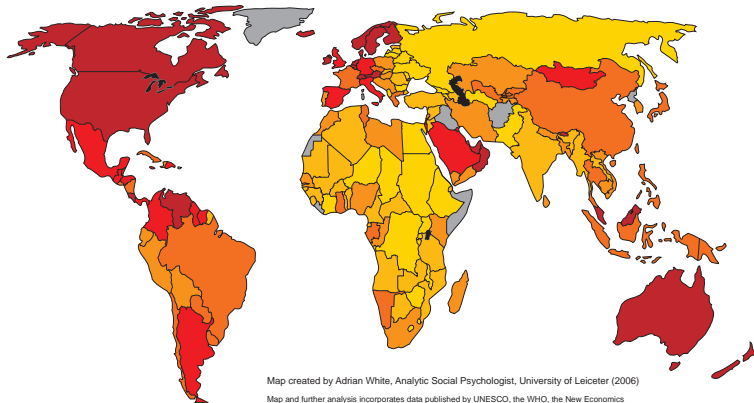
income v happiness across countries



Source: R. Inglehart, 1997

world happiness

A Global Projection of Subjective Well-being:
The First Published Map of World Happiness



Cartographic Unit • University of Leicester

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bad capitalism (more on capital later)

- “Greed, envy, sloth, pride and gluttony: these are not vices anymore. No, these are marketing tools. Lust is our way of life. Envy is just a nudge towards another sale. Even in our relationships we consume each other, each of us looking for what we can get out of the other. Our appetites are often satisfied at the expense of those around us. In a dog-eat-dog world we lose part of our humanity.” Jon Foreman
- “If you’re not a leftist or socialist before you’re 25, you have no heart; if you are one after 25 you have no head”
(Apocryphal)

welfare/redistribution

- No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labor as to be themselves tolerably well fed, clothed, and lodged.

Adam Smith, The Wealth of Nations, Bk. 1, Ch. 8.

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