

# Policy

Adam Okulicz-Kozaryn

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[adam.okulicz.kozaryn@gmail.com](mailto:adam.okulicz.kozaryn@gmail.com)

## 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:
  - happiness = pleasure - 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. \(2009\)](#)  
Amartya Sen already in 80s ([Sen, 1985](#))
  - 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

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 = everything that matters!

## United Nations (A/RES/65/309)

- The General Assembly, in its resolution 65/309 entitled “Happiness: towards a holistic approach to development,” conscious that the pursuit of happiness was a fundamental human goal, recognized that the gross domestic product (GDP) indicator was not designed to and did not adequately reflect the happiness and well-being of people

## limits of capitalism: gdp v swb

- we started global capitalism with WB, IMF, WTO because of the WW2 to rebuild the devastated world
- capitalism great at producing things, but don't need more, if anything need to degrow GDP (Kallis et al., 2012, Kallis, 2011)
- and main reason is climate change (Klein, 2014)
- but also we don't need any more stuff for swb (Leonard, 2010)
- mind boggling production eg China consumed 6,500m tons of cement between 2011-14—in 100 years the US consumed only 4,500m tons (Harvey, 2016)
- super “Joyless Economy” (Scitovsky, 1976), “Loss of Happiness in Market Democracies” (Lane, 2000)

## limits of capitalism cont'd

- capitalism  $\approx$  max money (production and consumption)
- it pervades and perverts everything else
  - eg “community development:” whole foods, cooper hospital
- the goal is not community, but to sell
- swb, too, used by companies and governments to increase productivity, make money, produce and consume more: “Happiness Industry” (Davies, 2015)
- and cities—they too exist to produce and consume more
- before industrial revolution  $< 5\%$ ; today  $> 50\%$

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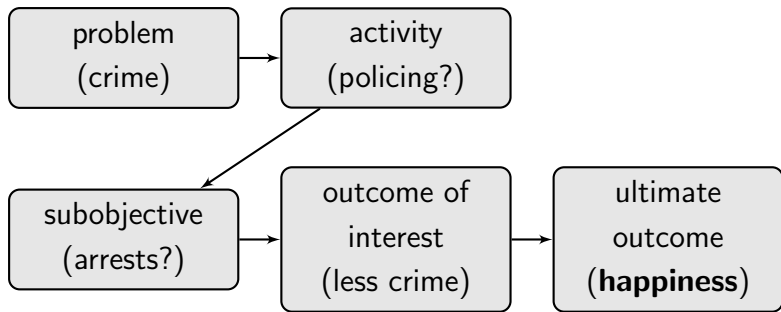
bonus: the scientific literature and illustrative findings

bonus: bad capitalism

## why?

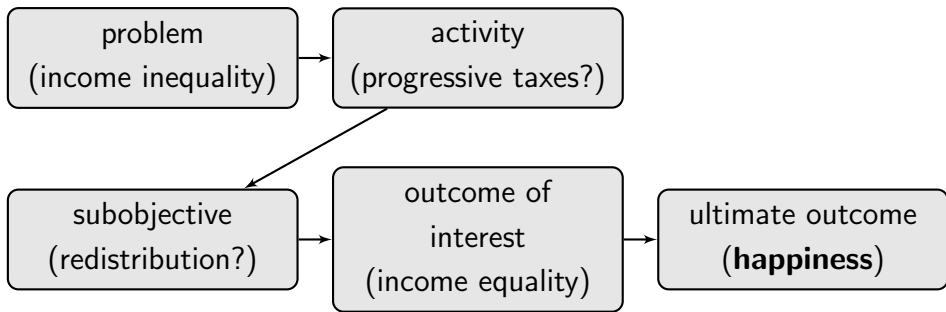
- end in itself
- a measure of utility/well-being/QOL/standard of living
- better, more comprehensive and precise than individual/national income/consumption
- the ultimate outcome in public policy/adm process

## 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 needs:
  - physiological: water, food, sleep, etc
- social: biophilia, social capital, nature, etc
  - and higher needs: belonging, self-actualization, etc
- like Maslow's Hierarchy of Needs
- satisfied needs — — > happiness
- then there are attr of places, environment, or ecology
  - if it is “livable” — — > happiness
- optimistic for pub pol:
  - can satisfy needs and provide livability

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# lit rev

- a recent review [Kubzansky et al. \(2023\)](#)
- knowledge=power: know what makes ppl happy

# what makes people 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)
- eg culture, civilization, society, religion, etc (Freud et al., 1930, Fromm, [1941] 1994, Berger and Luckman, 1966, Wildavsky, 1987)

## 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)
- spend on experience (bowling, travel), not stuff (clothes, phones)

# be grateful

- it works!
- and probably the easiest and fastest (just think about things you're grateful for, may write down couple)
- 
- and try other stuff say eg as per Seligman PERMA:  
<https://www.psychologytoday.com/us/blog/flourish-and-thrive/202210/30-tips-greater-happiness>  
and [Seligman \(2004\)](#)

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## commute v mc mansion

- commute one of the worst activities for happiness
- house we get used to
- extra bathroom after couple yrs won't matter much
- extra 30min commute make you miserable every day
- most regrets of the dying are too much materialism, not enough social connection and being oneself (Ware, 2012)

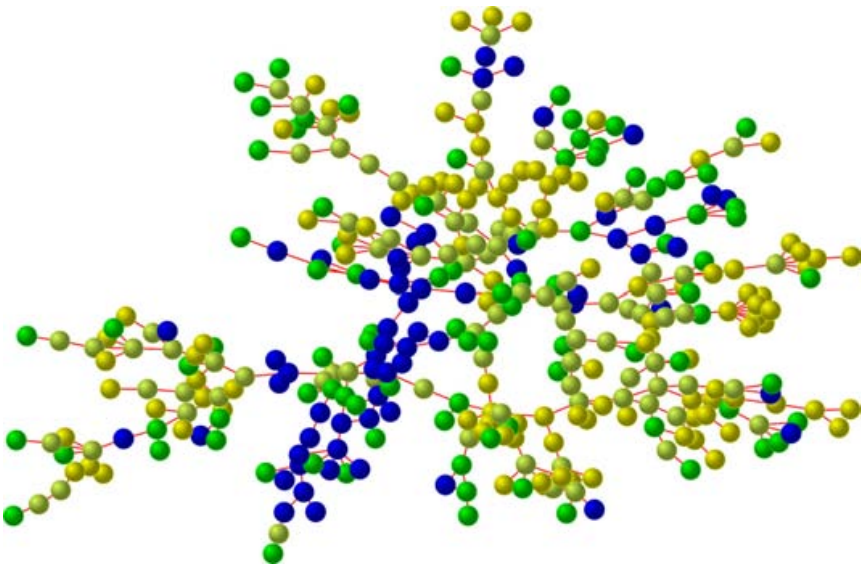
## unemployment and welfare (Di Tella and MacCulloch, 2006)

- $H_0$  : 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) –  $>SWB$
- 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

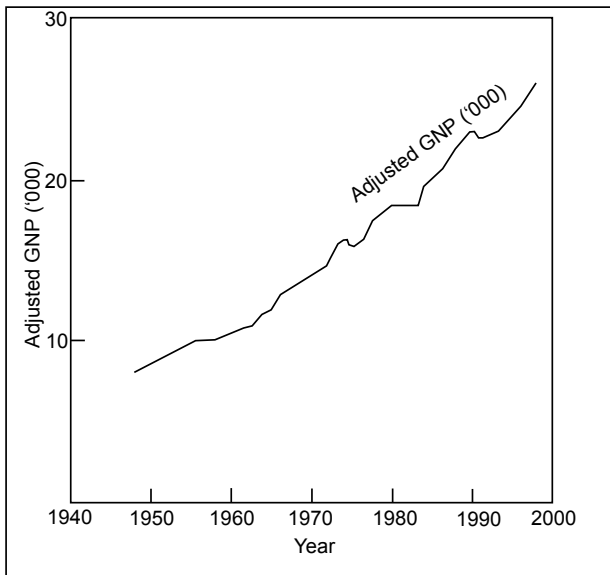
- biological needs (Diener and Biswas-Diener, 2002)
- personal income (and personal income change) (Diener et al., 1999)
- goals vs. needs (Diener and Seligman, 2004)
- leisure (Diener et al., 1999)
- personal characteristics (Diener et al., 1999)
  - personality
  - education
- social capital ('the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

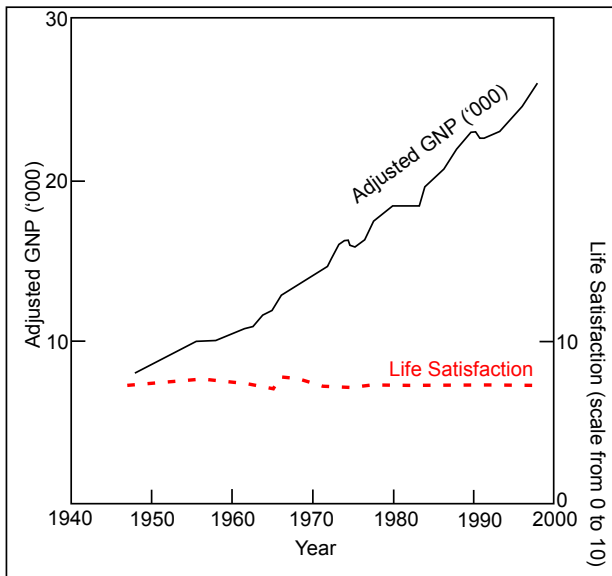
income in the us, 1947-98 (Diener and Seligman, 2004)



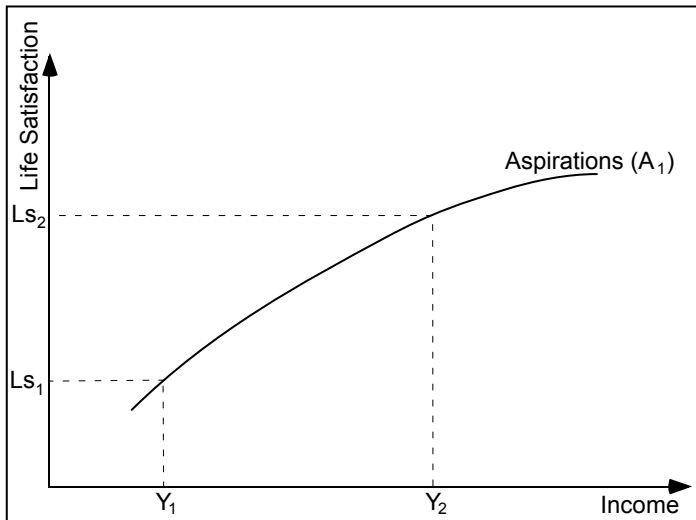


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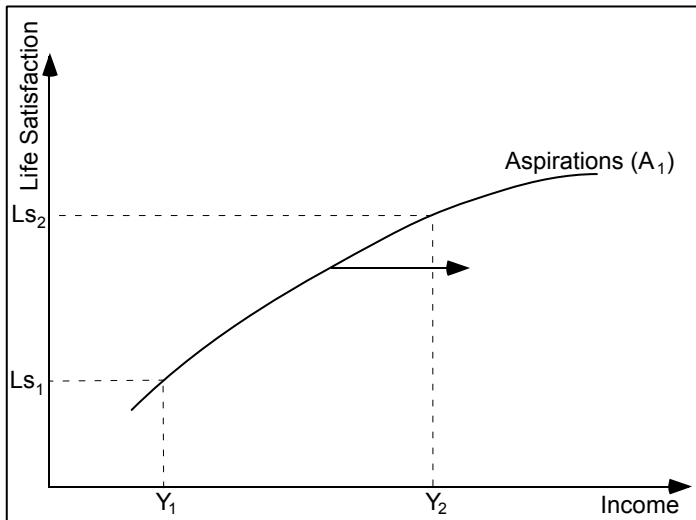
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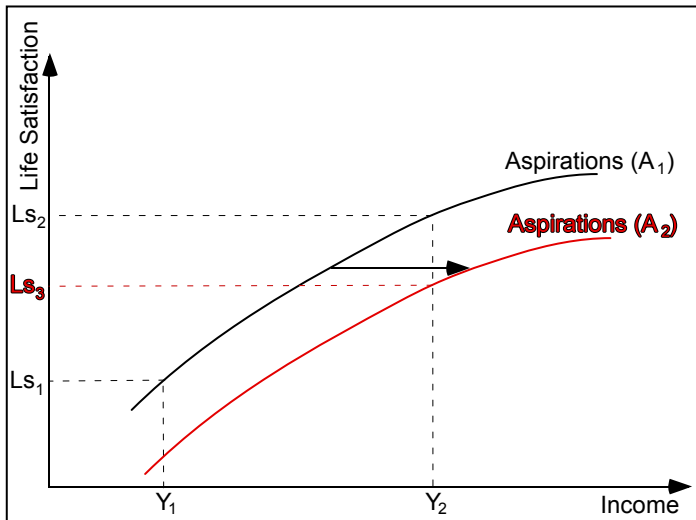
income increases happiness, but...



## income increases happiness, but...



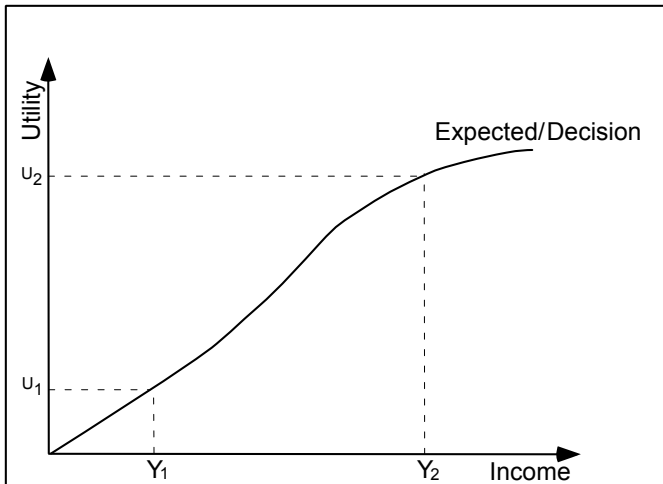
## income increases aspirations, too



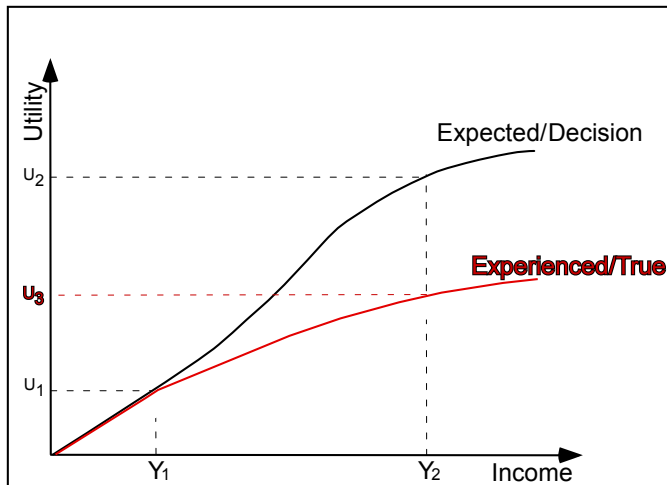
# utility (Kahneman et al., 1997)

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

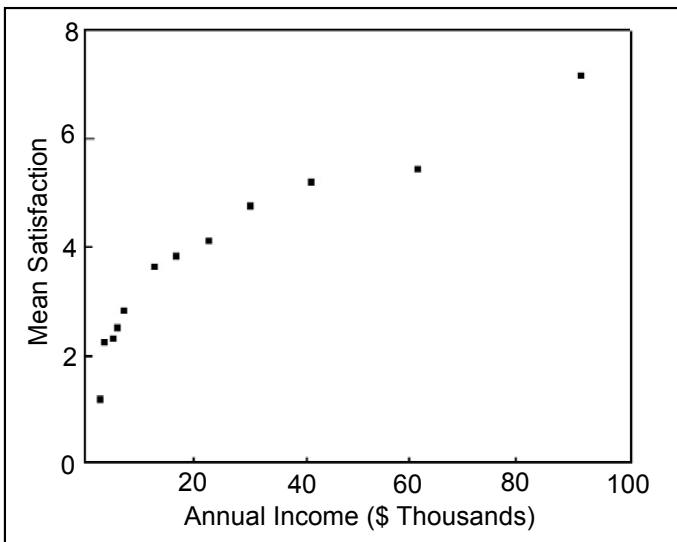
## expected vs. experienced utility



## expected vs. experienced utility

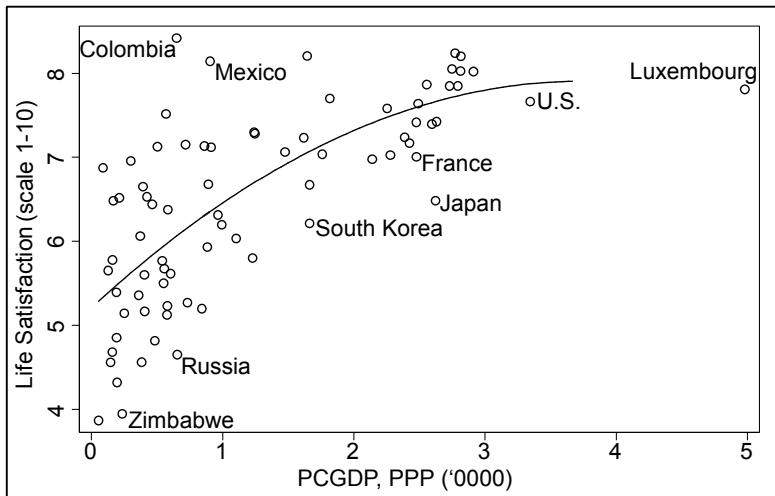


# income v happiness in the us, 1981-4 (Diener et al., 1993)

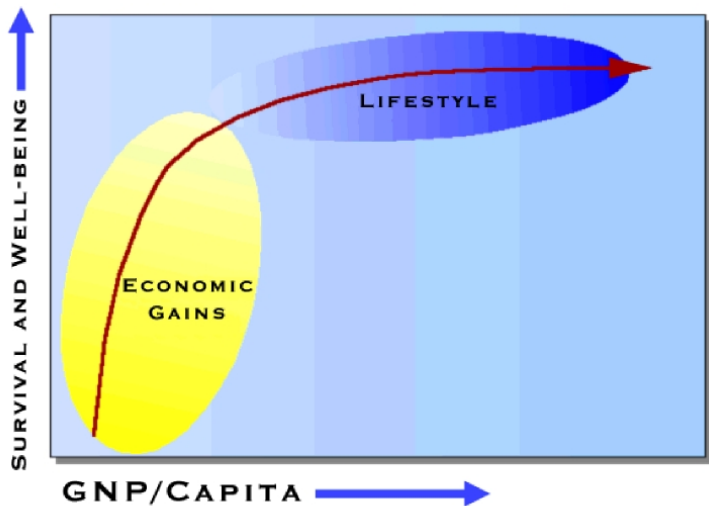




# income v happiness in the world, (wvs) 1996-2004



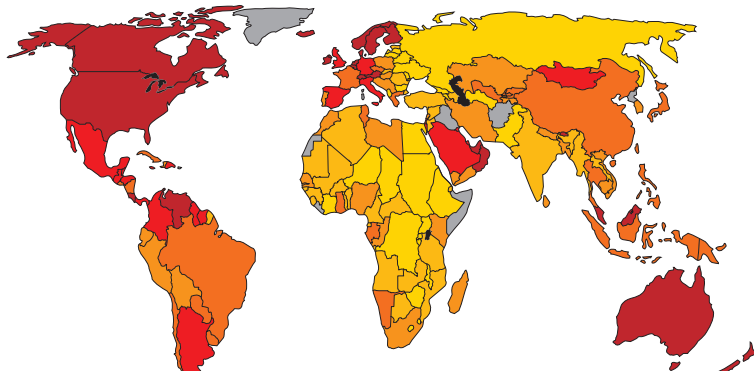
# income v happiness across countries



Source: R. Inglehart, 1997

# world happiness

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



Map created by Adrian White, Analytic Social Psychologist, University of Leicester (2006)

Map and further analysis incorporates data published by UNESCO, the WHO, the New Economics Foundation, the Veenhoven Database, the Latinobarometer, the Afrobarometer, the CIA, and the UN Human Development Report.



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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