

Democracy and happiness

Happiness is having a say in politics. That is the conclusion drawn by economist Bruno S. Frey, who has examined the "institutional conditions for happiness".

THE SWISS – a nation of morose grouches? A legend with a persistent life. And yet, it's quite wrong. Certainly, the tedium throng traveling glumly to work in the morning in trains, buses and trams gives the impression of profound dissatisfaction. But a glance deep into their souls reveals a different picture: most Swiss are generally happy. This is the result of interviews with over six thousand citizens of the Helvetic Republic organized on behalf of the University of Bern. With a score of 8.2 out of a maximum of 10, their average degree of satisfaction with life is very high indeed. Which places Switzerland among the countries of the world with the happiest inhabitants. Only the Danes feel even happier.

"Until the beginning of the nineteenth century, Switzerland was one of the poorest countries in Europe. Perhaps this heritage is still chiseled in today's faces", suggests Bruno S. Frey, Professor at the Institute of Empirical Economic Research of the University of Zurich, to explain the discrepancy between happy reality and grim appearance. "Or perhaps it's the Protestant ethic, which sees life as a burden, that obliges us to adopt such a serious mien?"

The economist, who is more interested in the significance of happiness for a flourishing economy than the conditions of the commodity and financial markets, is not entirely serious. But reflections of this kind, which bring together history and psychology, may well be the key

to his scientific success: they break down the barriers between academic disciplines.

Be that as it may, Frey's research into the significance of happiness for the economy has repeatedly yielded surprising insights and has given him worldwide celebrity. Such as the study about the institutional conditions for happiness which he carried out jointly with his colleague Alois Stutzer. "On the basis of the data drawn from the Bern surveys, we were able to show for the first time with the aid of econometric methods that Switzerland's direct democracy and federalism play a very important role in the happiness of its citizens", explains Frey.

For this purpose, Stutzer and Frey compared the satisfaction with life in the cantons with local levels of direct democracy. They measured the latter in a number of ways, including how many signatures had to be collected within a specific period in order to launch a constitutional or legislative initiative, a legal or financial referendum. The comparison showed that people's happiness is directly proportional to the level of direct-democratic rights in their canton. And the subjective feeling of well-being increases with the reduction of the required number of signatures and the increasing duration of the collection period. Frey and Stutzer also found a positive relationship between the degree of autonomy of the communes with respect to the central cantonal authorities: the

The conditions for happiness

PROJECT: Examining the economic and institutional conditions for happiness	COOPERATION: International contacts with institutes of various faculties at the universities of Turin, Rome, Barcelona, Amsterdam, Rotterdam, Groningen, Munich, Linz, Innsbruck, Oxford, Cambridge, Copenhagen, Berkeley, Chicago and Stanford.	FINANCING: Largely funded by the Institute and the Swiss National Science Foundation.	E-MAIL: bsfrey@ew.unizh.ch
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greater the independence, the happier the people.

The practical value of these insights is obvious: they contradict any centralistic ideas which may lurk in the heads of some politicians. "To merge several cantons to form a single canton of Central or Western Switzerland, for instance, would be a catastrophe", Frey is convinced. "To give up old and well-functioning units in which people feel at home is not progress but the opposite." The Zurich researchers have also found evidence that direct democracy and federalism "are not backward, outgrown and signs of a backwoods mentality", says Frey, but rather "the form of government of the future".

At the very least, this is something that the politicians of the European Union will have to take to heart. "If the EU is to progress," says Frey, "more elements of direct democracy and federalism will have to be introduced." It's one thing to know what makes people happy. But the next

thing that Bruno S. Frey and his colleagues want to find out is why citizens are happier when they can intervene directly in political issues: is it because the results are closer to their own ideas and wishes, or does it stem quite simply from the pleasure of being involved? "The first results of our ongoing investigation indicate that the benefit of taking part, the opportunity to be involved, is of great importance", divulges Frey. This piece of knowledge is new.

In another project, the group of scientists around Bruno S. Frey ultimately hope to examine the effects of happiness on economic decisions: are happier people keener to take risks or are they more reticent investors, do they buy different consumer goods, do they change their jobs more frequently? These and other questions still await definite answers.

Beat Lutenberger

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