

# Happiness – a revolution in social science

**Bruno Frey**

We are in the midst of a revolution. We are turning away from material aspects of life towards well-being. The way to measure well-being is happiness.

I would like to make two propositions. Firstly, although National Income and Social Indicators are good indicators, happiness, or life satisfaction, are much better. Secondly, we must be very careful not to do the wrong thing. Although government should make it possible for people to be happy, they should not try to maximise happiness.

With respect to the first proposition, I have some good news. Most people are happy. It's not true that we live in a terrible world and should lament all the time. Statistically we know most people are very happy.

We have many ways to measure happiness. The most important are surveys. Experience Sampling is when you are asked randomly how happy you feel just at this moment, which is then aggregated up. Then, even more scientifically, one can do brain scanning.

I won't go into a critique of national income as a well-being measurement. I just want to mention one aspect. Roughly 50 per cent of National Income is attributed to government activity. Government activity is measured by input, in the form of materials and work. You can immediately see that it has nothing to do with welfare. So GNP is great as a business cycle indicator; it measures productive capacity but not well-being.

Per capita income is sometimes used as a Social Indicator but econometric happiness research has demonstrated

that National Income per capita is not an adequate indicator of well-being. Higher income does not have much effect on happiness.

The Human Development Indices and other social indicators are not very good either. Take life-expectancy. It is great to live a long time, but what if your last ten or fifteen years are unhappy? School enrolment is also often used as a Social Indicator, but it

is not an output. We know from PISA and other studies that there are many countries where a lot of inputs go into schools, but the children do not learn much and they are not very satisfied.

I would now like to consider the second proposition. 'Assuming that we can measure happiness in a satisfactory way, what do we do with this information at the political level?'

Governments should not jump to the conclusion that because we can measure happiness it should be maximised. Once the happiness indicator is seen as important, governments will manipulate it. We should not be naïve. We know that in the wake of the financial crisis several countries manipulated their deficits and level of public debt. They will find it even easier to present a happiness indicator influenced in their favour.

Another reason why governments should not try to maximise happiness is that it is not the only thing that should matter for politics. There are other important aspects of life such as justice, responsibility and solidarity.

The government should create the right political conditions. In particular, it's important to increase citizens' rights in terms of political participation. There is now strong evidence that citizens involved in politics are more satisfied with their lives. Another condition that improves public satisfaction is political decentralisation. People are more at ease with local political decision takers at the local level.

The conclusion is: Happiness is a wonderful concept and can be used to make better policies. It should be used by governments to enable people to achieve their own personal happiness in their own way.



## the author in 1 minute



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