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## Inequality-Adjusted Happiness



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### Definition

How well a nation combines a high level of happiness with an equitable distribution of happiness.

### Description

#### Aim

According to the utilitarian creed, the quality of a society should be judged using the degree of happiness of its members, the best society being the one that provides the greatest happiness for the greatest number. Following the egalitarian principle, the quality of a society should be judged by the disparity in happiness among citizens, a society being better if differences in happiness are smaller. Performance on these standards can be measured using cross-national surveys, where degree of happiness is measured using the mean response to a question about happiness and

disparity is expressed as the standard deviation of responses.

These measures are married together in an index called the “inequality-adjusted happiness” (IAH) that gives equal weight to either criterion. It is a linear combination of the mean happiness value and the standard deviation in a nation, and it is expressed as a number on a 0–100 scale.

### Computation

This index is expressed in the following formula:  $IAH = 8.28(m - s) + 17.2$ , where  $m$  is the mean response to a question on happiness in a nation and  $s$  is the sample standard deviation of the responses, happiness being measured using a 0–10 scale ranging from most unhappy (0) to most happy (10). On this index, a score of 100 means that everybody is completely happy; e.g., all respondents in the sample rated their happiness 10 on a scale of 0–10 (Veenhoven and Kalmijn 2005; Kalmijn and Veenhoven 2014).

### Difference Across Nations

The IAH differs widely across nations (Veenhoven 2021a, b). Some illustrative findings are presented in the table below (Table 1).

### Trend Over Time

Average happiness has gone up in most nations during the last 30 years, while inequality of happiness has decreased. Consequently, the scores on the index of inequality-adjusted happiness have risen in most nations (Veenhoven 2021b).

**Inequality-Adjusted Happiness, Table 1** Examples of inequality-adjusted happiness (IAH) in nations (2000–2009)

Nation	Happiness		Inequality-adjusted happiness	
	Average	Standard deviation	IAH	IAH (previously)
Denmark	8.03	1.53	71	(75)
Iceland	7.87	1.66	69	(73)
Switzerland	7.74	1.58	68	(72)
Finland	7.61	1.56	67	(71)
The Netherlands	7.33	1.37	67	(69)
Japan	6.35	1.91	54	(57)
France	6.45	2.11	53	(58)
Indonesia	6.16	2.05	51	(55)
Poland	6.26	2.29	50	(55)
China	6.14	2.45	48	(53)
Macedonia	4.68	2.57	35	(39)
Bulgaria	4.46	2.41	34	(37)
Mali	4.73	2.77	33	(38)
Zimbabwe	3.23	2.28	25	(26)
Tanzania	3.03	2.76	19	(22)

## Cross-References

- ▶ [Happiness](#)
- ▶ [Inequality](#)

## References

- Kalmijn, W. M., & Veenhoven, R. (2014). *Index of inequality adjusted happiness (IAH) improved*. Available at: <https://personal.eur.nl/veenhoven/Pub2010s/2014j-full.pdf>
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